

PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 7, 2013

**NEW ISSUE
FULL BOOK-ENTRY-ONLY**

**RATINGS: Moody's Investors Service: "Aa2"
Standard & Poor's: "AA-"
See "Ratings" herein**

In the opinion of Bond Counsel, assuming continuing compliance by the District with certain covenants, interest on the Bonds is excludable from gross income for federal income tax purposes under existing statutes, regulations and judicial decisions. Interest on the Bonds is not an item of tax preference in computing the alternative minimum taxable income of individuals. Interest on the Bonds, however, will be included in the computation of adjusted current earnings for purposes of alternative minimum tax for corporations. The Bonds and the interest thereon will also be exempt from all State, county, municipal and school district and other taxes or assessments imposed within the State of South Carolina, except estate, transfer and certain franchise taxes. See "CERTAIN LEGAL MATTERS-Federal Income Tax Generally" for a brief description of alternative minimum tax treatment and certain other federal income tax consequences to certain recipients of interest on the Bonds.

**OFFICIAL STATEMENT
Relating to the Issuance of
\$32,000,000* GENERAL OBLIGATION BONDS, SERIES 2013,
OF RICHLAND-LEXINGTON RIVERBANKS PARKS DISTRICT, SOUTH CAROLINA**

The General Obligation Bonds, Series 2013 (the "Bonds") will be general obligation bonds of the Richland-Lexington Riverbanks Parks District, South Carolina (the "District") and as such the full faith, credit, resources and taxing power of the District will be irrevocably pledged for the payment thereof.

The Bonds are issuable in fully registered form and when issued will be registered to Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), to which principal and interest payments on the Bonds will be made. Individual purchases of beneficial ownership interests in the Bonds will be made in book-entry form only, in the principal amounts of \$5,000 or any whole multiple thereof. So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, references herein to the holders of the Bonds or registered owners of the Bonds shall mean Cede & Co. and shall not mean the beneficial owners of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, the principal and interest on the Bonds are payable to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to the DTC Participants (as defined herein) for subsequent disbursement to the beneficial owners of the Bonds. **See "THE BONDS - Book-Entry-Only System."** _____ will serve as Registrar/Paying Agent for the Bonds.

The Bonds will be dated August 28, 2013, and will mature serially on March 1 in each of the years and in the principal amounts and bear interest at the rates shown below. Interest on the Bonds is first payable on March 1, 2014, and semiannually thereafter on each March 1 and September 1. The Bonds are subject to redemption prior to maturity as described in "THE BONDS-Redemption Provisions" herein.

<u>March 1</u> <u>Year</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Reoffering</u> <u>Price/Yield</u>	<u>March 1</u> <u>Year</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Reoffering</u> <u>Price/Yield</u>
2014	\$1,900,000			2026	\$1,930,000		
2019	1,235,000			2027	2,055,000		
2020	1,350,000			2028	2,190,000		
2021	1,415,000			2029	2,330,000		
2022	1,485,000			2030	2,535,000		
2023	1,560,000			2031	2,690,000		
2024	1,650,000			2032	2,855,000		
2025	1,815,000			2033	3,005,000		

*Subject to adjustment as provided herein.

The interest rates are the result of a successful proposal from a syndicate headed by _____. The reoffering information has been provided by such company submitting the winning proposal.

The Bonds are offered when, as and if issued and subject to the approving opinion as to legality of Haynsworth Sinkler Boyd, P.A., Columbia, South Carolina. It is expected that the Bonds in definitive form will be available for delivery on or about August 28, 2013.

This cover page contains certain information for quick reference only. It is not a summary of the issue. Investors should read the entire Official Statement to obtain information essential to the making of an informed investment decision. The District deems the Preliminary Official Statement to be final as of its date for purposes of S.E.C. Rule 15c2-12 except for information which may be omitted therefrom pursuant to Rule 15c2-12.

This Official Statement is dated _____, 2013.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Except pursuant to the Official Notice of Sale contained herein, these securities may not be sold, nor may an offer to buy be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

No dealer, broker, salesman or other person has been authorized by Richland-Lexington Riverbanks Park District, South Carolina to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement, and, if given or made, such other information or representation may not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been provided by the District and other sources which are believed to be reliable. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof.

This Preliminary Official Statement has been deemed final by the District for purposes of paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”), but is subject to revision, amendment and completion in a final official statement as provided in the Rule.

**RICHLAND-LEXINGTON RIVERBANKS PARKS DISTRICT,
SOUTH CAROLINA**

COMMISSIONERS

Earl F. Brown, Jr., Chairman
M. F. "Phil" Bartlett, Vice Chairman
Bud M. Tibshrany, Secretary
Mary T. Howard
Lloyd S. Liles
James E. Smith, Sr.
Jan H. Stamps

DISTRICT ADMINISTRATION

Palmer E. "Satch" Krantz, III, President and CEO
Breta Smith, Chief Finance Officer

BOND COUNSEL

Haynsworth Sinkler Boyd, P.A.
Columbia, South Carolina

FINANCIAL ADVISOR

Davenport & Company
Charlotte, North Carolina

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OFFICIAL NOTICE OF SALE
\$32,000,000*
GENERAL OBLIGATION BONDS, SERIES 2013,
OF RICHLAND-LEXINGTON RIVERBANKS PARKS DISTRICT, SOUTH CAROLINA

SEALED PROPOSALS, addressed to the undersigned, will be received by the Riverbanks Parks Commission (the "Commission") until 11:00 o'clock a.m. (Eastern Daylight Savings time) on Wednesday, August 14, 2013 (the "Sale Date"), at which time said proposals will be publicly opened in the offices of Haynsworth Sinkler Boyd, P.A., 1201 Main Street, Suite 2200, Columbia, South Carolina 29201, for the purchase of Thirty-two Million Dollars (\$32,000,000)* General Obligation Bonds, Series 2013, of the Richland-Lexington Riverbanks Parks District, South Carolina (the "Bonds"). Principal of the Bonds shall be payable as follows:

March 1	Principal	March 1	Principal
<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2014	\$1,900,000	2026	\$1,930,000
2019	1,235,000	2027	2,055,000
2020	1,350,000	2028	2,190,000
2021	1,415,000	2029	2,330,000
2022	1,485,000	2030	2,535,000
2023	1,560,000	2031	2,690,000
2024	1,650,000	2032	2,855,000
2025	1,815,000	2033	3,005,000

*Subject to adjustment as provided herein.

The Bonds will be dated August 28, 2013, and will bear interest from the date thereof, payable on March 1 and September 1 of each year (the "Bond Payment Dates"), beginning on March 1, 2014, until they respectively mature. Both principal and interest will be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, at the Corporate Trust Office of the Registrar and Paying Agent of the Bonds.

Reduction of Principal Amount; Adjustment or Elimination of Bonds Maturing in 2014: Upon the award of the Bonds and within 24 hours of the delivery to the District by the successful bidder therefor of its reoffering prices for the Bonds as provided below, the principal amount of the Bonds shall be subject to reduction by not exceeding 15% in order to comply with annual debt service targets established by the District. Because any premium paid as a portion of the purchase price of the Bonds must, under South Carolina law applicable to the District, be applied to payment of the first maturing principal installments of the Bonds, the District further reserves the right to adjust the principal amount of the Bonds maturing in the year 2014 in an amount not exceeding \$4,800,000, or to eliminate such Bonds entirely. In the event of any adjustment in principal amount of the Bonds as described herein, no rebidding or recalculation of the proposals submitted will be required or permitted, and the award of the Bonds will be made to the bidder whose proposal produces the lowest true interest cost solely on the basis of the Bonds offered, without taking into account any adjustment in principal amount of the Bonds pursuant to this paragraph.

Redemption Provisions. All Bonds maturing subsequent March 1, 2023 shall be subject to optional redemption by the District at par, in whole or in part, on and after September 1, 2023.

If less than all the Bonds of any maturity are called for redemption, the Bonds of such maturity to be redeemed shall be selected in accordance with the procedures of DTC or a successor securities depository or, if the Bonds are no longer in book-entry only form, then by lot by the Registrar/Paying Agent. In the event this bond is redeemable as aforesaid, and shall be called for redemption, notice of the redemption hereof, describing this bond and specifying the redemption date and the redemption price payable upon such redemption, shall be mailed by the Registrar/Paying Agent by first class mail, postage prepaid, to the registered owner hereof not less than 30 days and not more than 60 days prior to the redemption date at such registered owner's address as it appears upon the registration books of the District. If this bond is redeemable and shall have been duly called for redemption and notice of the redemption hereof mailed as aforesaid, and if on or before the date fixed for such redemption, payment hereof shall be duly made or provided for, interest hereon shall cease to accrue from and after the redemption date hereof.

Term Bonds: Bidders may combine two or more consecutive maturities of Bonds to create not more than three term maturities, each of which will be subject to annual mandatory sinking fund redemption at par plus accrued interest to the redemption date (to the extent not previously redeemed) in the principal amounts for the years shown above on March 1 of such year. To the extent Bonds subject to mandatory sinking fund redemption in a given year have been purchased by the District or redeemed by the District pursuant to the optional redemption provisions set forth above, the amount of mandatory sinking fund redemption in such year shall be reduced in such manner as the District shall direct, or, absent such direction, on a pro rata basis.

Bid Requirements: A bid for less than all the Bonds or a bid at a price less than par or greater than 115% of par will not be considered. Bidders shall specify the rate or rates of interest per annum which the Bonds are to bear, to be expressed in multiples of 1/20th or 1/8th of 1% with no greater difference than 3% between the highest and lowest rates of interest named by a bidder. Bidders are not limited as to the number of rates of interest named, but the rate of interest on each separate maturity must be the same single rate for all of the Bonds of that maturity from their dated date to such maturity date. Any premium offered must be paid in cash as a part of the purchase price for the Bonds at the delivery thereof.

Award of Bonds: The Bonds will be awarded to the bidder or bidders offering to purchase the Bonds at the lowest true interest cost (TIC) to the District from the date of delivery of the Bonds, excluding accrued interest. The Commission reserves the right to reject any and all bids or to waive irregularities in any bid. Bids will be accepted or rejected no later than 3:00 p.m., South Carolina time, on the date of the sale.

Bid Submission: Proposals for the Bonds should be marked "Proposal for \$32,000,000 General Obligation Bonds of Richland-Lexington Riverbanks Parks District, South Carolina, Series 2013" and should be directed to the President and CEO of the Riverbanks Parks Commission at the address in the first paragraph hereof.

If a bidder for the Bonds desires to have the Bonds insured, the bidder shall specify in its bid whether bond insurance will be purchased and the premium of such bond insurance must be paid at or prior to closing by the successful bidder.

Proposals may be delivered by hand, by mail, by facsimile transmission or by electronic bidding system, but no proposal shall be considered which is not actually received by the District at the place, date and time appointed and the District shall not be responsible for any delay, failure, misdirection or error in the means of transmission selected by any bidder. No agent or employee of the District will undertake to receive proposals by means of oral communication.

Electronic bids must be submitted through BiDCOMP/Parity Electronic Bid Submission System (“*PARITY*”). No electronic bids from any other providers of electronic bidding services will be accepted. Such bids are to be publicly opened and read at such time and place on said day. For the purposes of both the written sealed bid process and the electronic bidding process, the time as maintained by *PARITY* shall constitute the official time with respect to all bids submitted.

If any provisions of this Official Notice of Sale conflict with information provided by *PARITY* as the approved provider of electronic bidding services, this Official Notice of Sale shall control. Information about the electronic bidding services of *PARITY* may be obtained from IPREO, Municipal Services, telephone (212) 849-5023 or munis@ipreo.com.

Written bids must be submitted on the Official Bid Form included with the Preliminary Official Statement or on a reasonable facsimile thereof. Electronic bids must be submitted to *PARITY*. Both written bids and electronic bids must be unconditional and received by the District and/or *PARITY*, respectively, before the time stated above. Each bid must be accompanied by a Good Faith Deposit or Financial Surety Bond (see below). The District is not liable for any costs incurred in the preparation, delivery, acceptance or rejection of any bid, including, without limitation, the providing of a bid security deposit.

Good Faith Deposit: By 12:00 p.m., Eastern Daylight Savings Time, on the date following the Sale Date, the sum of \$100,000 shall be wired to the Treasurer of Richland County, South Carolina as a good faith deposit in the manner specified by the District on the Sale Date. The District reserves the right to revoke its award of the Bonds upon the failure of the successful bidder for the Bonds to comply with this paragraph. The District shall be subject to no expenses, penalties or claims for damages of any kind in the event it revokes the award of the Bonds as provided in this paragraph, and shall not be responsible for any costs, fees or expenses incurred by the successful bidder in order to comply with this paragraph. The good faith deposit will be applied as a credit against the purchase price of the Bonds due at closing, and will be returned (with no interest allowed) in the event the District fails to deliver the Bonds.

Purpose: The Bonds are being issued for the purposes of defraying costs of capital improvements to facilities of the District, and paying certain costs of issuance of the Bonds.

Security: The Bonds shall constitute binding general obligations of the District and the full faith, credit and taxing power of the District are irrevocably pledged for the payment of the Bonds. There shall be levied and collected annually in the same manner as county taxes are levied and collected, a tax, without limit, on all taxable property in the District sufficient to pay the principal of and interest on the Bonds as they respectively mature and to create such sinking fund as may be necessary therefor.

Official Statement: The Preliminary Official Statement dated August 7, 2013 has been deemed final by the District for purposes of paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”) but is subject to revision, amendment and completion in a final Official Statement as provided in the Rule. The District will furnish the successful bidder with a sufficient number of copies of the final Official Statement in order to allow the bidder to comply with the Rule, without charge, within seven working days of the acceptance of a bid for the Bonds. The Preliminary Official Statement is available at www.i-dealprospectus.com.

Continuing Disclosure: In order to assist bidders in complying with SEC Rule 15c2-12, the District will undertake, pursuant to the bond resolution authorizing the issuance of the Bonds and a Continuing Disclosure Certificate, to annually file a report containing its audited financial statements and certain financial information and operating data, and, in addition, to provide notice of certain material events. A description of this undertaking is set forth in the preliminary Official Statement and will also be set forth in the final Official Statement.

Legal Opinion: The Commission shall furnish upon delivery of the Bonds the final approving opinion of Haynsworth Sinkler Boyd, P.A., Bond Counsel, Columbia, South Carolina, together with the usual closing documents, including a certificate that no litigation is pending affecting the Bonds.

Certificates as to Issue Price: The successful bidder for the Bonds must provide a certificate to the District not later than two business days following the sale date, and confirmed by a certificate delivered at closing, stating the initial reoffering price of the Bonds to the public (excluding bond houses and brokers) and the price at which a substantial amount of the Bonds were sold to the public, in form satisfactory to Bond Counsel.

Delivery: The Bonds will be delivered on or about August 28, 2013 through the facilities of DTC at the expense of the District, or at such other place as may be agreed upon with the purchasers at the expense of the purchaser. The balance of the purchase price then due must be paid in Federal funds or other immediately available funds. The cost of preparing the Bonds will be borne by the District.

CUSIP Numbers: It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with the terms of its proposal. All expenses in relation to the printing of CUSIP identification numbers on the Bonds shall be paid for by the District; provided, however, that the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the successful bidder.

Additional Information: Persons seeking additional copies of the Official Statement or further fiscal information relative to the Commission should communicate with Ms. Breta Smith, Chief Finance Officer, Richland-Lexington Riverbanks Parks District, P.O. Box 1060, Columbia, South Carolina 29202-1060, telephone (803) 978-1102; the District's Financial Advisor, Walter Goldsmith, Davenport & Company, 101 N. Tryon Street, Suite 1200, Charlotte, North Carolina 28246, telephone (704) 644-5412, or Bond Counsel, Theodore B. DuBose, Haynsworth Sinkler Boyd, P.A., 1201 Main Street, Suite 2200, Columbia, South Carolina 29201, telephone (803) 779-3080.

This Notice is given to evidence the District's intent to receive bids for and award the Bonds on the date stated above. Such sale may be postponed prior to the time bids are to be received and as published on Thomson Municipal News, Bloomberg, or other electronic information service. If canceled, the sale may be thereafter rescheduled within 60 days of the date of the publication of this Official Notice of Sale, and notice of such rescheduled date of sale will be posted at least 48 hours prior to the time for receipt of bids on Thomson Municipal News, Bloomberg, i-dealprospectus.com or other electronic information service.

President and CEO,
Richland-Lexington Riverbanks Parks District

I.

INTRODUCTION

This Introduction briefly describes the contents of this Official Statement and is expressly qualified by reference to the entire contents hereof, including appendices, as well as of the documents summarized or described herein.

The Issuer

The \$32,000,000* General Obligation Bonds, Series 2013 (the “Bonds”) are being issued by Richland-Lexington Riverbanks Parks District, South Carolina (the “District” or “Riverbanks”), a body politic and corporate and a political subdivision of the State of South Carolina.

Security

For the payment of the principal of and interest on the Bonds, the full faith, credit, resources and taxing power of the District are irrevocably pledged. See “THE BONDS - Security” herein.

Purpose of the Bonds

The Bonds are being issued by the District for the purposes of defraying costs of acquiring facilities of the District and making additional capital improvements to facilities of the District, and paying certain costs of issuance of the Bonds.

Details of the Bonds

The Bonds will be general obligation bonds of the District; will be issuable in fully registered form and, when issued, will be registered to Cede & Co. as nominee for The Depository Trust Company, New York, New York (“DTC”); will be dated as of August 28, 2013; and will bear interest from their date at the rates shown on the cover hereof payable initially on March 1, 2014 and semiannually thereafter on March 1 and September 1 of each year until they mature. The Bonds will mature serially in successive annual installments on March 1 in each of the years and in the principal amounts set forth on the cover hereof. All Bonds maturing subsequent March 1, 2023 shall be subject to optional redemption by the District at par, in whole or in part, on and after September 1, 2023.

Tax Status of Interest on the Bonds

In the opinion of Bond Counsel, subject to the conditions and limitations stated therein, interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income of the registered owners thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. The Bonds and the interest thereon are exempt from all state, county, school district, municipal and all other taxes or assessments of the State of South Carolina, except inheritance, estate, transfer or certain franchise taxes. See “LEGAL MATTERS - Tax Exemption” herein.

*Preliminary, subject to adjustment.

Professionals Involved in the Offering

Haynsworth Sinkler Boyd, P.A., Columbia, South Carolina, is acting as Bond Counsel. _____ is serving as Registrar and Paying Agent (the “Registrar/Paying Agent”) for the Bonds. Davenport & Company is serving as Financial Advisor to the District in connection with the issuance of the Bonds.

Independent Auditors

Scott McElveen, L.L.P., Certified Public Accountants, Columbia, South Carolina, audited the financial statements of the District for the fiscal years ended June 30, 2008 and June 30, 2009. Scott and Company LLC, Certified Public Accountants, Columbia, South Carolina, audited the financial statements of the District for the fiscal years ended June 30, 2010 through June 30, 2012, inclusive. A copy of the basic financial statements of the District for the year ended June 30, 2012 is attached to this Official Statement as Appendix A. Copies of the complete audited financial statements of the District for fiscal year ended June 30, 2012 and prior years are available for inspection at the District office.

Authorization

The Bonds are being issued pursuant to the Constitution and laws of the State of South Carolina, and a resolution duly adopted by the Riverbanks Parks Commission (the “Commission”) on November 15, 2012.

Information Concerning Terms of the Offering

The Bonds are being issued in book-entry-only form. It is expected that the Bonds will be delivered to Cede & Co., at the offices of DTC, on or about August 28, 2013 and will be available for credit to the accounts of the participants and, through them, the beneficial owners on such date. Information on limitations on transfer of ownership is set forth in “THE BONDS - Book-Entry-Only System” and “THE BONDS - Discontinuance of Book-Entry-Only System.”

General

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Copies of the Official Statement will be deposited with the Municipal Securities Rulemaking Board, 1900 Duke Street, Suite 600, Alexandria, Virginia 22314. Copies of the Preliminary Official Statement, the Official Statement, the resolution of the Commission authorizing the issuance of the Bonds and related documents and information are available by contacting with Mr. Palmer E. Krantz, III, President and CEO, Richland-Lexington Riverbanks Parks District, P.O. Box 1060, Columbia, South Carolina 29202-1060, telephone (803) 779-8717, ext. 1101, the District’s Financial Advisor, Walter Goldsmith, Davenport & Company, 101 N. Tryon Street, Suite 1200, Charlotte, North Carolina 28246, telephone (704) 644-5412, or the District’s Bond Counsel, Theodore B. DuBose, Haynsworth Sinkler Boyd, P.A., 1201 Main Street, Suite 2200, Columbia, South Carolina 29201, telephone (803) 779-3080.

II.

THE BONDS

Description of the Bonds

The Bonds constitute an issue of \$32,000,000* General Obligation Bonds, Series 2013, of Richland-Lexington Riverbanks Parks District, South Carolina (the “District”). The Bonds mature on March 1 in the years and in the principal amounts as follows:

<u>March 1</u> <u>Year</u>	<u>Principal</u> <u>Amount*</u>	<u>March 1</u> <u>Year</u>	<u>Principal</u> <u>Amount*</u>
2014	\$1,900,000	2026	\$1,930,000
2019	1,235,000	2027	2,055,000
2020	1,350,000	2028	2,190,000
2021	1,415,000	2029	2,330,000
2022	1,485,000	2030	2,535,000
2023	1,560,000	2031	2,690,000
2024	1,650,000	2032	2,855,000
2025	1,815,000	2033	3,005,000

*Subject to adjustment.

The Bonds will be issued in fully registered book-entry-only form; will be dated as of August 28, 2013; and will bear interest from the date thereof, payable initially on March 1, 2014, and semiannually thereafter on March 1 and September 1 of each year until they mature; and will mature serially on March 1 in each of the years and in the principal amounts as shown on the front cover hereof. The Bonds shall be issued under the DTC Book-Entry-Only System in the denominations of \$5,000 or integral multiples thereof, registered in the name of Cede & Co. as the registered owner and nominee of The Depository Trust Company, New York, New York, which will act as securities depository for the Bonds. _____ shall serve as Registrar and Paying Agent (“Registrar/Paying Agent”) for the Bonds for so long as the same are held under a Book-Entry-Only System.

Book-Entry-Only System

Beneficial ownership interests in the Bonds will be available only in book-entry form. Beneficial Owners (as defined below) will not receive physical certificates representing their interests in the Bonds purchased. So long as DTC (hereinafter defined) or its nominee is the registered owner of the Bonds, references in this Official Statement to the Owners of the Bonds shall mean DTC or its nominee and shall not mean the Beneficial Owners. The Bond Resolution contains provisions applicable to periods when DTC or its nominee is not the registered owner.

THE FOLLOWING DESCRIPTION OF DTC, OF PROCEDURES AND RECORD KEEPING ON BENEFICIAL OWNERSHIP INTERESTS IN THE BONDS, PAYMENT OF INTEREST AND OTHER PAYMENTS WITH RESPECT TO THE BONDS TO DTC PARTICIPANTS OR TO BENEFICIAL OWNERS, CONFIRMATION AND TRANSFER OF BENEFICIAL OWNERSHIP INTERESTS IN THE BONDS AND OF OTHER TRANSACTIONS BY AND BETWEEN DTC, DTC PARTICIPANTS AND BENEFICIAL OWNERS IS BASED ON INFORMATION FURNISHED BY DTC.

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds (the “Bonds”). The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized

representative of DTC. One fully-registered Bond certificate will be issued for the Bonds in the aggregate principal amount of such issue, as set forth on the front cover of this Official Statement, and will be deposited with DTC.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE BONDS, AS DTC'S PARTNERSHIP NOMINEE, REFERENCE HEREIN TO THE HOLDERS OR REGISTERED OWNERS OF THE BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participants through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts the Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners of the Bonds will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults and proposed amendments to the security documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar/Paying Agent and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions and dividend payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or Agent on each payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Registrar/Paying Agent or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, the Treasurer of Richland County, and the Registrar/Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of the Direct and Indirect Participants.

DTC may discontinue providing its services as security depository with respect to the Bonds at any time by giving reasonable notice to the District or Registrar/Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be printed and delivered to the Beneficial Owners as described in the Bond Resolution (as defined herein in "Authorization"). The Beneficial Owners of the Bonds, upon registration of certificates held in the Beneficial Owners' names, will become the registered owners of the Bonds.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

The District has no responsibility or obligation to the Participants or the Beneficial Owners with respect to (1) the accuracy of any records maintained by DTC or any Participant, or the maintenance of any records; (2) the payment by DTC or any Participant of any amount due to any Beneficial Owner in respect of the Bonds, or the sending of any transaction statements; (3) the delivery or timeliness of delivery by DTC or any Participant of any notice to any Beneficial Owner which is required or permitted under the Bond Resolution to be given to Owners; (4) the selection of the Beneficial Owners to receive payments upon any partial redemption of the Bonds; or (5) any consent given or other action taken by DTC or its nominee as the registered owner of the Bonds, including any action taken pursuant to an omnibus proxy.

BECAUSE DTC IS TREATED AS THE OWNER OF THE BONDS FOR SUBSTANTIALLY ALL PURPOSES UNDER THE BOND RESOLUTION, BENEFICIAL OWNERS MAY HAVE A RESTRICTED ABILITY TO INFLUENCE IN A TIMELY FASHION REMEDIAL ACTION OR THE GIVING OR WITHHOLDING OF REQUESTED CONSENTS OR OTHER DIRECTIONS. IN ADDITION, BECAUSE THE IDENTITY OF BENEFICIAL OWNERS IS UNKNOWN TO THE DISTRICT, TO DTC OR TO THE REGISTRAR/PAYING AGENT, IT MAY BE DIFFICULT TO TRANSMIT INFORMATION OF POTENTIAL INTEREST TO BENEFICIAL OWNERS IN AN EFFECTIVE AND TIMELY MANNER.

Discontinuance of Book-Entry-Only System

In the event that the Bonds are no longer in book-entry-only form, the certificates held by DTC or a successor securities depository will be canceled and the District will execute and deliver the Bonds in fully registered form to the beneficial owners of the Bonds as shown on the records of the DTC Participants or the nominee of a successor securities depository. If no other securities depository is named, interest on the Bonds will be paid by check or draft of the Registrar/Paying Agent, mailed to the person in whose name the bond is registered as of the close of business on the fifteenth day of each month immediately preceding such payment, and principal shall be payable to the Registered Owner at maturity upon presentation and surrender thereof to the Registrar/Paying Agent at its principal corporate trust office. In such event, the District will maintain through the Registrar/Paying Agent books of registry for the purpose of registering ownership and transfer of the Bonds. The Bonds would be transferable by the registered owner in person or by his duly authorized attorney upon surrender of the Bond to be transferred together with a written instrument of transfer duly executed by the registered owner or his duly authorized attorney. The Registrar/Paying Agent will, upon receipt thereof, authenticate and deliver a new Bond or Bonds in like principal amount as the Bond so presented. The District and the Registrar/Paying Agent will deem and treat the person in whose name each Bond is registered as the absolute owner thereof for all purposes.

Redemption Provisions

All Bonds maturing subsequent to March 1, 2023 shall be subject to optional redemption by the District at par, in whole or in part (and if in part, in such order of maturity as determined by the District), on and after September 1, 2023.

Notice of the redemption of Bonds, describing the Bonds to be redeemed and specifying the redemption date and the redemption price payable upon such redemption, shall be mailed by the Registrar/Paying Agent by first class mail, postage prepaid, to the registered owners of such Bonds not less than 30 days and not more than 60 days prior to the redemption date at such registered owner's address as it appears upon the registration books of the District. If a Bond shall have been duly called for redemption and notice of the redemption thereof mailed in accordance with the preceding sentence, and if on or before the date fixed for such redemption, payment hereof shall be duly made or provided for by the District, interest the Bonds so redeemed shall cease to accrue from and after the redemption date thereof.

If less than all the Bonds of any maturity are called for redemption, the Bonds of such maturity to be redeemed shall be selected in accordance with the procedures of DTC or a successor securities depository or, if the Bonds are no longer in book-entry only form, then by lot by the Registrar/Paying Agent.

Defeasance

If all of the Bonds and all interest thereon shall have been paid and discharged, then the obligations of the District under the Bond Resolution and all other rights granted hereby shall cease and determine. The Bonds shall be deemed to have been paid and discharged under each of the following circumstances, viz.:

(1) The Registrar/Paying Agent shall hold, at the stated maturities of the Bonds, in trust and irrevocably appropriated thereto, sufficient moneys for the payment of the Principal Installment and interest thereof; or

(2) If default in the payment of the principal of the Bonds or the interest thereon shall have occurred on any Bond Payment Date, and thereafter tender of such payment shall have been made, and at such time as the Registrar/Paying Agent shall hold in trust and irrevocably appropriated thereto, sufficient moneys for the payment thereof to the date of the tender of such payment; or

(3) If the District shall elect to provide for the payment of the Bonds prior to their stated maturities and shall have deposited with the Registrar/Paying Agent in an irrevocable trust moneys which shall be sufficient, or Government Obligations (as defined below), the principal of and interest on which when due will provide moneys, which together with moneys, if any, deposited with said Registrar/Paying Agent at the same time, shall be sufficient to pay when due the Principal Installment and interest due and to become due on the Bonds on and prior to their maturity dates.

“Government Obligations” means, with respect to the foregoing, direct general obligations of the United States of America or agencies thereof or obligations, the payment of principal or interest on which is fully and unconditionally guaranteed by the United States of America.

Authorization for the Bonds

The County Councils of Richland County and Lexington County (the “County Councils”), as the governing bodies of Richland County, South Carolina, and Lexington County, South Carolina, respectively, are empowered by Act No. 1189, enacted at the 1974 Session of the South Carolina General Assembly, as amended, and codified as Sections 6-11-810 to 6-11-1040, of the Code of Laws of South Carolina, 1976 (hereinafter called the “Enabling Act”), to authorize the governing body of any special purpose district created prior to March 7, 1973, to issue general obligation bonds of such district to provide funds to be used in the furtherance of any power or function committed to such special purpose district and in effect on March 7, 1973.

Pursuant to the provisions of the Enabling Act, the District requested the County Councils to approve the issuance and delivery of \$32,000,000 of general obligation bonds. On April 17, 2012, the Richland County Council granted its approval. On September 11, 2012, the Lexington County Council granted its approval.

In addition, the Richland-Lexington Riverbanks Parks Commission (the “Commission”), the governing body of the District, adopted a resolution on November 15, 2012 (the “Bond Resolution”) which authorizes the issuance of the Bonds. Issuance of the Bonds will exhaust the authorization to issue under the authorizations noted under this heading.

Debt Limit

Section 14 of Article X of the Constitution of the State of South Carolina (the “State”) provides that subsequent to November 30, 1977, the special purpose districts of the State may issue bonded indebtedness in an amount not exceeding 8% of the assessed value of all taxable property therein, and provides further that no bonded indebtedness incurred on or prior to November 30, 1977 shall be charged against such 8% debt limitation. The assessed value of all taxable property located within the District for the year 2011, which is the last completed assessment thereof, exclusive of properties subject to a fee in lieu of tax, is a sum of not less than \$2,498,760,691, and thus the 8% debt limit of the District is not less than \$199,900,855. The District presently has bonded indebtedness in the amount of \$7,305,000 chargeable against this limit. Thus, the Commission may issue the sum of \$32,000,000 of general obligation debt at the present time.

Security

The Bonds are general obligations of the District and the full faith, credit and taxing power of the District are irrevocably pledged to the payment of the principal of and interest thereof. Pursuant to Article X, Section 14 of the Constitution of South Carolina, the Bonds are payable from an ad valorem tax to be levied upon all taxable property in the District without limitation as to rate or amount. The Bond Resolution has directed the levy and collection of such tax. The Enabling Act provides that there shall be levied and collected annually a tax without limit on all taxable property located within the District sufficient to pay the principal of and interest on the Bonds as they respectively mature and to create such sinking fund as may be necessary therefor. The obligation to levy and collect ad valorem taxes is an essential obligation of the contract between the District and its bondholders and, if necessary, could be enforced by mandamus or other equitable remedies.

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III.

THE RICHLAND-LEXINGTON RIVERBANKS PARKS DISTRICT

Description of the District, Zoo and Garden

The District is a special purpose district created pursuant to the provisions of Act No. 1207 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina of 1970, as amended (“Act 1207”). The District is comprised of the entire area of Richland County and Lexington County. Pursuant to Section 3 of Act 1207, the Commission is empowered generally to construct, develop and operate public recreational and zoo facilities within the territory in the counties of Richland and Lexington contiguous to the Saluda River and the Congaree River from Highway I-126 on the north to the Granby Locks on the South. The Commission owns and operates the Riverbanks Zoo and Botanical Garden (“Riverbanks”), which is located on a 170-acre tract of land bisected by the Saluda River, and which consists of a zoological park presently located on approximately 30 acres (the “Zoo”) and a botanical garden and contiguous natural areas (the “Botanical Garden” or “Garden”).

The District’s mission is “To foster an appreciation for all living things.” The Zoo and Garden is committed to the conservation of wildlife, to the audience’s education of natural history, and to the enhancement of the quality of life in its community through the provision of high-quality recreational opportunities. Its operations and programs are designed to combine the three elements in the most harmonious and effective ways, so that each complements the others and the potential for the success of all is maximized.

The Zoo is recognized as a leader among American zoos for both its conservation and recreational opportunities. The Zoo has received numerous awards from the Association of Zoos and Aquariums (“AZA”) for its captive breeding programs; the Zoo’s Aquarium-Reptile Complex was named one of the top three new zoo exhibits by the AZA in 1990. The Zoo also has twice received the prestigious Governor’s Cup Award from the S.C. Department of Parks, Recreation and Tourism as the State’s Most Outstanding Attraction, and was named the Travel Attraction of the Year by the Southeast Tourism Society in 1989, 1993 and 2002.

The District has attracted just over one million visitors in each of the past three years, making it South Carolina’s largest gated attraction.

The Zoo has been able to utilize contemporary methods of captive animal exhibition. Animals are seen in open, “natural-habitat” exhibits which employ psychological barrier restraint, with maximum visual and auditory accessibility for the visitor. Live plants and trees, boulders, ledges, pools and flowing water provide settings that allow the inhabitants to move about freely and to recreate their “wild” behaviors. Zoo curators are conscientious in exhibiting animals in proper sex and age ratios to stimulate normal social interactions and reproductive patterns.

The Zoo has received numerous Edward H. Bean Awards by the Association of Zoos and Aquariums for outstanding conservation programs. Most recently, in 2011, the Zoo was recognized for the long-term propagation and management of the endangered Bali mynah. Previous Bean Awards have recognized the Zoo’s long-term propagation and husbandry of the black-footed cat in 2010, long-term propagation and captive husbandry of the Malagasy leaf-tailed gecko in 2005, long-term propagation of toucans in 1998, and the most notable birth of black howler monkeys in 1981.

The District strives to maintain the highest standards in its zoological and environmental educational programs. The living collection, which is the basis for learning opportunities at the Zoo, is

complemented with extensive and diverse programming developed and presented by a permanent education staff.

The depth and quality of the education programs are indicated in the following examples: Grade- and ability-level specific programs (preschool through college) are tied directly to the State's science curriculum. Teachers are provided pre-and post-visit materials to augment on-site activities. The Zoo's overnight program offers instruction by zoo keepers and curators. Weekday and Saturday classes cover a range of diverse subjects from local reptiles to animal behavior. A summer day camp, known as Wild Weeks, provides unique learning opportunities for over 1,000 children each summer. Wild Weeks programs focus on conservation and animal behavior.

Through various programs, the District attempts to serve the general public and special groups within the community. Cognizant of its debt to the community, the Riverbanks Park Commission designates all Fridays in January and February of each year as free days for local residents.

The District also offers free admission to any public school group in Richland and Lexington Counties. All other organized school groups receive a special admission rate, and all students are extended a reduced daily admission rate. The District also provides complimentary admission tickets to most local charities and nonprofit organizations upon request.

Throughout the year, the District conducts special events which reflect its primary purposes-- education, conservation and recreation. Over the years, the District has provided a common place for individuals, families and groups to learn about wildlife and wild places. Whether participating in a day camp, school program, overnight or behind-the-scenes Adventure Tours, the District's highly-skilled team of educators will provide an interactive and captivating learning experience.

History

The Zoo opened its gates to the public on April 25, 1974 and has since enjoyed more than twenty-seven million visitors. In fiscal year 2011-12, 1,029,492 people visited the Zoo, giving it the largest attendance in that year for zoos in the southeastern United States.

With the opening of the Aquarium-Reptile Complex (the "ARC") in November 1989, the District completed its first major expansion project since its 1974 opening. Facilities included in the \$6.5 million expansion program were the 22,000 square-foot ARC, Riverbanks Farm, a new entrance complex, gift shop, restaurant, and small mammal exhibit building renovations.

The showpiece of the first expansion project, the ARC, is home to thousands of fish and hundreds of reptiles, amphibians and invertebrates from all around the world. The building features four galleries -- South Carolina, the Desert, the Tropics and the Ocean -- constructed using innovative design techniques and state-of-the-art technology.

With the opening of the Botanical Garden in June, 1995, the second major expansion to the District was completed. This expansion offers to visitors a seventy-acre tract of land on the western side of the Saluda River that is connected to the Zoo by a bridge. The Botanical Garden features a formal walled garden, as well as a large visitor's center with visitor amenities and meeting rooms. Adjacent to the Botanical Garden is a natural area intertwined with scenic footpaths leading to the Saluda River. The ruins of the Saluda Mill, dating from 1834, can be found along the District's Garden River Trail. The Saluda Mill was one of the first water-powered textile mills to be operated in the State. To further educate the community about the historical significance of the Saluda Mill, artifacts, descriptions and graphics are on display at an on-site Interpretive Center.

The Zoo 2002 project consisted of approximately \$20 million in new animal exhibits and visitor amenities which included: an entry complex into the Botanical Garden with parking lot, ticket booths and restrooms; the new Birdhouse at the Zoo; a new Zoo entrance plaza featuring Lemur Island; the Ndoki Forest exhibit with gorillas and elephants; and the Koala Knockabout, an exhibit complex for Australian animals such as koalas, lorikeets and wallabies. The Koala Knockabout resulted from a State Gift of koalas from the Premier of Queensland, Australia to the citizens of South Carolina. A new birdhouse was also added as part of Zoo 2002 and was named one of the country's best new zoo exhibits by the AZA in 2002.

Riverbanks Society

The opening of the Zoo in 1974 was the result of a grass-roots community campaign for the establishment of a zoo in the Midlands of South Carolina. Community support for the District continues and is now exemplified by the Riverbanks Society (the "Society"), a non-profit support organization for the Zoo, formed in October, 1976 by a group of interested citizens. Beginning with a base membership of 200, the Society now has a current membership in excess of 33,000 households. With each membership representing an average family of five people, the total number of individual members is over 165,000.

In 1981, the Society began a private, capital fund drive to raise money for the construction of an Education Center on the Zoo grounds. Volunteers from the local business community contributed months of their time conducting the campaign. In less than a year, \$600,000 was contributed by individuals, businesses, industry, foundations and other special interest groups. In subsequent capital fundraising campaigns for the "Zoo II" expansion in the late 1980's, and the campaign for the Botanical Garden, the Society has raised over \$2,500,000 for capital improvements. In addition, the Society has contributed some \$4,430,000 to the District's operating budget since 1976.

Operations of the District

The Commission is composed of seven (7) members, two of whom are appointed by the Richland County Council, two of whom are appointed by the Lexington County Council and two of whom are appointed by the Mayor and City Council of the City of Columbia. The seventh member is appointed at-large on a rotating basis by all three groups. Each of the Commissioners is required to be a resident of the District. Those currently in office are as follows:

<u>Name</u>	<u>Years Served</u>	<u>Term Expires</u>	<u>Occupation</u>
M. F. "Phil" Bartlett	3	11/4/2015	University Professor
Earl F. Brown, Jr.	1	10/2013	Deputy Dist. Director-U.S. Congressional Dist. II
Mary T. Howard	3	7/31/2015	Retired Administrator
Lloyd S. Liles	3	11/16/2016	Retired Telephone Executive
James E. Smith, Jr.	3	9/15/2016	Bank Executive
Jan H. Stamps	1	7/31/2018	Marketing Executive
Bud M. Tibshirany	1	5/31/2014	Retired Executive

Palmer E. Krantz, III, is the President & Chief Executive Officer ("CEO") of the Riverbanks Park Commission and is responsible for the management and operation of all of the District's facilities. Mr. Krantz received a Bachelor of Science degree in Zoology from Clemson University. He was hired by the Commission in December, 1972 as Supervisor of the Animal Hospital. In 1976, he was appointed Executive Director. He has twice served as president of the Association of Zoo and Aquariums (AZA) and chair of the World Association of Zoos and Aquariums. He is also active in many community organizations and served as President of the Columbia Rotary Club and Chairman of the Children's

Hospital Board of Directors. In 2012, he received the Distinguished Service Award from Clemson University, the University's highest honor.

Mr. Krantz's duties include the execution of the policies adopted by the Commission, developing and implementing long and short range plans, and the day-to-day supervision of the District, which has approximately 160 employees. Mr. Krantz is also responsible for fund-raising, and is the official spokesman of the District's goals and philosophy to the public through speaking engagements, appearances on radio and television and in meetings with elected and appointed officials from all levels of government. The President and CEO is also responsible for recommending annual budgets to the Commission. Since budgeting is done on a departmental basis, each department head is responsible for recommending a budget and controlling expenditures within his or her area.

Tommy Stringfellow serves as the District's Chief Operating Officer and is responsible for the Zoo and Garden's marketing, guest services, human resources, facilities and IT departments. A 35-year veteran to the attractions industry, Stringfellow served in numerous sales, marketing and operations management positions in major theme parks along the East Coast prior to joining the District. Stringfellow holds a Bachelor's Degree in Business Marketing from Winthrop University.

Breta Smith serves as the District's Chief Finance Officer ("CFO"). She received a B.S. degree in Business Administration with emphasis in Accounting and is also a Certified Public Accountant. She began her career working for several public accounting firms before venturing out to the private sector, totaling over 20 years of experience before assuming her appointment to her current position, which she has held since May, 2011. The CFO's responsibilities include all accounting and financial reporting and the management of the annual budget process.

Budgetary Process

The District's General Fund and Capital Project Fund operate under and are controlled by annual budgets. Each department head submits a requested budget to their division head. The division heads then review the requested budgets with the CEO and CFO. The division heads include the Director of Guest Services, the Director of Marketing, the Director of Botanical Garden, the Director of Facilities, the Director of Animal Collections & Conservation, the Director of Education and the Director of Human Resources. The CEO then recommends a budget to the Commission for approval.

Following approval by the Commission, the budget is presented to Richland and Lexington County Councils with a request for funding from both of Richland County and Lexington County at the level indicated in the budget. Annual appropriations by the County Councils for operations and maintenance of the District are purely discretionary, and are not required by law. The County Councils do not have approval authority over line items, but are requested to approve the discretionary level of funding from their respective jurisdictions.

After County Council approval, the budget is adopted and integrated into the accounting system. Each department head has on-line access to the status of budget accounts through the accounting system software. Daily and monthly reports are available to department and division heads. Monthly reports are prepared and submitted to the Commissioners and other relevant governing agencies as requested. The accounting system requires that there be available funds in a line item before a purchase order can be prepared.

The CEO is authorized to transfer budgeted amounts between line items; however, any revisions that alter the total expenditures must be approved by the Commission. Generally, if revisions are needed to the original budget, they are prepared around mid-year and submitted to the Commission for approval at the next monthly meeting. The updates are made to the accounting system upon approval.

The Commission follows generally accepted accounting principles and practices as required by the AICPA's Committee on State and Local Governmental Accounting and the Governmental Accounting Standards Board. All accounting operations are computerized to provide timely and abundant management information with a minimum of staff effort.

The Commission requires an annual certified audit of all funds. The Board of Directors of the Society also requires an annual audit of its funds. Due to regulations, the Society is reported as a component unit of the District in its audited financial statements.

Description of Revenues

Revenues of the District are derived from two major areas - operations and government support.

Admissions revenue. The largest source of operating revenue for the District is admissions revenue. The adult and child's admission charges are in the moderate range of prices by national standards. There has been a limited level of admission price increases over the years to keep pace with inflation. Reduced rates and, in some cases, free admission, are offered on certain days along with discounted rates at all times for students and senior citizens.

	<u>Current Admission Rates</u>
Adults	\$11.75
Military	10.75
Senior Citizens (ages 62 and up)	10.75
Children (3-12 years)	9.25
Children (2 and under)	Free

Members of the Riverbanks Society receive free admission to the District. Attendance shown in the following table includes paid attendance, attendance by Riverbanks Society members, as well as attendance pursuant to other free and discount rate programs.

Attendance History

<u>Fiscal Year</u>	<u>Attendance</u>	<u>Fiscal Year</u>	<u>Attendance</u>
2000-01	762,764	2006-07	899,765
2001-02	1,020,876	2007-08	922,664
2002-03	834,175	2008-09	956,716
2003-04	885,480	2009-10	1,015,201
2004-05	869,499	2010-11	1,000,224
2005-06	852,993	2011-12	1,029,492

Riverbanks Society. The second largest source of operating income is derived from the Riverbanks Society. The Riverbanks Society offers memberships which entitle members to free admission to the Zoo. The membership fees, less expenses, are contributed to the General Fund. In addition to this contribution to the General Fund, Riverbanks Society has conducted fundraising drives that have generated over \$4,500,000 during the last ten years for capital purposes.

Food and Merchandise sales. Concession Fees from food and merchandise sales represent the third largest category of operating revenue. Gross sales from these operations have grown steadily, principally due to increased attendance, along with more targeted and efficient operation.

Other sources of operating revenue include fees for various educational programs, net income from rides, animal feedings and promotions, and donations and interest income.

Revenue from Governmental Sources

There are three areas of governmental support received by the District.

Appropriations from County Councils. As mentioned under the heading “Budgetary Process”, an operational millage is levied in both Richland and Lexington Counties, the tax receipts of which defray a significant portion of the District’s operational expenses. As noted above, funding is discretionary, and the County Councils are not required by law to appropriate any funds for the District’s operations. The following table provides the amounts received from the two Counties and the millage levied in each County during the last ten fiscal years:

	<u>Richland County</u>		<u>Lexington County</u>	
<u>Fiscal Year</u>	<u>Amount Received</u>	<u>Millage Levied</u>	<u>Amount Received</u>	<u>Millage Levied</u>
2013-14 ⁽¹⁾	\$2,037,857	n/a	\$1,126,286	n/a
2012-13 ⁽²⁾	1,933,072	1.3	1,126,286	1.09
2011-12	1,964,032	1.3	1,126,286	1.093
2010-11	1,991,520	1.3	1,126,286	1.08
2009-10	1,868,100	1.3	1,102,733	1.09
2008-09	1,868,100	1.3	950,694	1.09
2007-08	1,646,618	1.3	924,800	1.088
2006-07	1,598,056	1.3	897,525	1.088
2005-06	1,545,509	1.4	868,014	1.185
2004-05	1,404,652	1.4	790,000	1.185
2003-04	1,373,410	1.4	762,537	1.158
2002-03	1,381,424	1.3	740,327	1.13

⁽¹⁾ Budgeted.

⁽²⁾ Unaudited.

State Appropriations. After several years of operation, the General Assembly of the State of South Carolina recognized that the District was a State-wide attraction which provides an economic benefit to the State as a whole. Based on this recognition, the District began receiving annual appropriations from the State beginning in fiscal year 1976-77. However, during fiscal year 2004-05, the State eliminated “pass through” funding, and the State appropriations to the District ceased. The State Department of Parks, Recreation and Tourism partially replaced the funding loss through Travel Marketing Partnership Program (TMPP) grants. Through such grants, the District received \$110,000 in fiscal year 2004-05 and \$112,000 in 2005-06. In fiscal year 2006-07, the State funding was restored to the level received in fiscal year 2003-04. However, the District has received no funding through the State since Fiscal Year 2006-07.

Accommodations and Hospitality taxes. The District has in recent years received appropriations of statutory accommodations and hospitality taxes from Lexington County, Richland County and the City of Columbia. These appropriations are used to promote Riverbanks to tourists, vary in amount from year to year, and may be discontinued from year to year, as determined by the contributing entity.

Retirement Plan

Employees of the District are covered by a retirement plan through the South Carolina Retirement System (“SCRS”), a cost-sharing multiple-employer defined benefit retirement plan. This plan provided annuity, disability, life insurance and survivor benefits to plan members and beneficiaries. The employer contribution rate was 9.385% of employee’s pay. The District’s actual contributions to the SCRS for the fiscal years ending June 30, 2010, 2011 and 2012 were approximately \$403,504, \$427,854, and \$448,558, respectively. Contributions were equal to 100% of the required contributions for each year. As of July 1, 2012, the employer contribution rate is 10.45%.

Act No. 278 of 2012 (“Act No. 278”) amends prior laws regarding the SCRS in several material aspects. For example, employer and employee contributions, excluding group and health insurance components, will increase over three years, beginning in Fiscal Year 2013, as follows:

<u>Fiscal Year</u>	<u>Employer Contribution</u>	<u>Employee Contribution</u>
2013	10.60%	7.00%
2014	10.60	7.50
2015	10.90	8.00

The Board of Directors of SCRS may increase the contribution rate in Fiscal Years 2016 and thereafter, provided that no increase may result in a differential between the employer contribution rate and the employee contribution rate in excess of 2.9% of compensation. Such rate increases are mandatory if rates in force are insufficient to maintain a thirty year amortization schedule for unfunded liabilities of SCRS. The Board of Directors may, after Fiscal Year 2015, reduce contribution rates if the ratio of the actuarial valuation of SCRS assets to the actuarial accrued liability of SCRS is greater than or equal to ninety percent, but only to the extent that the Board of Directors determines that reduction will not reduce such ratio below ninety percent.

In June, 2004, the Governmental Accounting Standards Board issued Statement No. 45 (“GASB 45”), which requires that state and local government employers account for post-employment health care and other benefits (“OPEBs”) on an accrual basis. GASB 45 became effective as to the District in Fiscal Year 2009. GASB 45 also requires disclosure of information about the plans, if any, in which an employer participates, any funding policy adopted, and the actuarial valuation process and assumptions included in such process. The District’s treatment of OPEBs is discussed at Note 8 to the basic financial statements of the District for the year ended June 30, 2012 appearing as Exhibit A to this Official Statement. As noted therein, the District presently pays for OPEB on a pay-as-you-go basis.

The District’s Unfunded Actuarial Accrued Liability at June 30, 2012, the date of the latest actuarial valuation required by GASB 45, was \$2,791,478. The next actuarial valuation will be required as of June 30, 2015. The District has been recently advised in an interim report that its Net OPEB Obligation increased from \$462,229 to \$686,114 during the Fiscal Year ending June 30, 2013.

Budget Summaries for Fiscal Years 2012-13 and 2013-14

Below is a summary of the District's budgets for the Fiscal Years 2012-13 and 2013-14:

<u>Revenues</u>	<u>2012-13*</u>	<u>2013-14</u>
<u>Operations:</u>		
Admission Revenue	\$3,916,295	\$3,916,295
Concession Fees	1,050,000	1,112,404
Riverbanks Society - Operating Support	1,201,328	1,320,848
Classes and Program Fees	372,076	374,634
Fees – Rides, Shows & Promotions	2,056,382	1,946,027
Other Income - Donations, Grants, Misc.	357,309	428,281
<u>Governmental Support:</u>		
Local	3,088,286	3,164,143
State	--	--
Accommodation & Hospitality Taxes	<u>205,000</u>	<u>225,000</u>
Total Revenues	\$12,246,676	\$12,487,632
 <u>Expenditures</u>		
Animal Care	\$3,102,521	\$3,384,332
Administrative	1,777,985	1,731,334
Botanical	849,865	920,610
Facilities Management	994,859	1,073,316
Utilities	1,015,100	1,068,040
Guest Services	1,597,547	1,593,240
Marketing and Public Relations	862,357	979,394
Education	168,587	151,027
Rides, Shows & Promotions Expenditures	951,025	881,511
Classes & Programs Expenditures	348,452	423,827
Debt Service	265,276	265,276
Capital Outlay	303,786	15,725
Other Financing Sources	<u>9,316</u>	<u>--</u>
Total Expenditures	\$12,246,676	\$12,487,632

*Revised by action of the Commission on May 16, 2013 and June 20, 2013.

Five Year General Fund Summary

A summary of the District's General Fund Revenues and Expenditures appears on the following page.

Statement of Revenues, Expenditures and Changes in Fund Balance
Five-Year Operating Summary - General Fund – Fiscal Year Ending June 30

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<u>Revenues:</u>					
Property Taxes	\$2,571,418	\$2,818,794	\$2,970,833	\$3,117,806	\$3,090,318
State Government Contribution	166,191	--	--	--	--
Accommodations & Hospitality Taxes	306,250	272,250	202,429	165,000	192,294
General Admission Fees	2,913,243	2,973,621	3,250,384	3,725,811	3,944,390
Concessionaire Commissions on Sales	848,865	856,492	873,443	876,002	980,428
Riverbanks Society Contributions	1,227,218	1,575,583	1,193,249	1,260,563	1,217,925
Classes and Program Fees	355,202	362,883	314,030	352,183	348,480
Net Revenues - Rides, Shows & Promotions	1,474,358	1,424,513	1,646,383	1,681,287	1,952,581
Facility Rental & Group Admission Fees	263,083	241,725	219,430	284,552	282,449
Sponsorships	15,927	15,358	48,552	33,732	48,870
Non-Federal Grants and Donations	72,143	86,708	20,253	50,914	46,070
Interest Revenue	40,128	8,220	2,274	3,607	5,565
Miscellaneous Revenues	<u>21,907</u>	<u>3,528</u>	<u>16,388</u>	<u>43,468</u>	<u>18,637</u>
Total Revenues	\$10,275,933	\$10,639,675	\$10,757,648	\$11,594,925	\$12,128,007
<u>Expenditures:</u>					
<u>Current:</u>					
Administrative	\$1,005,214	\$1,152,467	\$1,098,753	\$1,171,250	\$1,432,282
Animal Care	2,727,505	2,927,593	2,888,306	2,873,900	2,962,067
Education	156,304	166,378	163,380	187,841	150,746
Botanical	738,799	745,226	741,284	801,936	831,526
Facility Management	605,645	617,668	706,179	755,271	784,920
Utilities	836,434	826,814	841,223	884,781	917,925
Marketing and Public Relations	887,294	784,947	782,156	849,037	809,959
Guest Services	1,259,429	1,311,504	1,357,989	1,506,026	1,554,472
Rides, Shows & Promotions	865,680	915,879	993,699	922,885	949,847
Classes and Programs	232,872	305,426	334,572	330,121	302,873
<u>Debt Service:</u>					
Principal ⁽¹⁾	200,048	242,492	114,138	121,720	136,017
Interest ⁽²⁾	218,557	179,992	154,993	147,411	129,420
<u>Capital Outlay:</u>					
Land, Building, Equipment & Improvements	139,495	574,288	15,899	74,712	82,713
Major Repairs	186,076	--	--	--	--
Rides, Shows and Promotions	<u>127,798</u>	<u>11,915</u>	<u>--</u>	<u>--</u>	<u>4,568</u>
Total Expenditures	\$10,187,150	\$10,762,589	\$10,192,571	\$10,626,891	\$11,049,335
Excess of Revenues Over (Under) Expenditures	88,783	(122,914)	565,077	968,034	1,078,672
<u>Other Financing Sources(Uses):</u>					
Lease Purchase Proceeds ⁽³⁾	--	39,059	--	--	--
Transfers In	--	--	--	--	--
Transfers Out	<u>(39,920)</u>	<u>(39,373)</u>	<u>(38,761)</u>	<u>(460,865)</u>	<u>(607,272)</u>
Total Other Financing Sources (Uses)	<u>(39,920)</u>	<u>(314)</u>	<u>(38,761)</u>	<u>(460,865)</u>	<u>(607,272)</u>
Net Change in Fund Balance	48,863	(123,228)	526,316	507,169	471,400
Fund Balance, Beginning of Year	<u>\$1,394,286</u>	<u>\$1,443,149</u>	<u>\$1,319,922</u>	<u>\$1,846,238</u>	<u>\$2,353,407</u>
Fund Balance, End of Year	<u>\$1,443,149</u>	<u>\$1,319,921</u>	<u>\$1,846,238</u>	<u>\$2,353,407</u>	<u>\$2,824,807</u>

(1), (2) Reflects principal and interest payable under lease-purchase contracts.

(3) Proceeds of lease-purchase contract.

As of June 30, 2013, the unrestricted fund balance is estimated to be \$418,786 per the revised budget.

III.

CERTAIN FISCAL MATTERS

Assessment of Property in Lexington County and Richland County

Article X of the South Carolina Constitution mandates that the assessment of all property, both real and personal, shall be equal and uniform and that the following ratios shall apply in the appropriate classifications of property:

- (1) Real and Personal Property of Manufacturers and Utilities -- 10.5% of fair market value;
- (2) Transportation Companies for Hire (railroads and pipelines) -- 9.5% of fair market value;
- (3) Inventories of Business Establishments⁽¹⁾ -- 6% of fair market value;
- (4) Legal Residence and not more than five contiguous acres -- 4% of fair market value (if the property owner makes property application and qualifies);
- (5) Agricultural property used for such purposes owned by individuals and certain small corporations -- 4% of use value (if the property owner makes application and qualifies);
- (6) Agricultural and timberlands belonging to large corporations (more than 10 shareholders) -- 6% of use value (if the property owner makes proper application and qualifies);
- (7) All other real property -- 6% of fair market value; and
- (8) Motor Vehicles -- 6.0%; and
- (9) All other personal property -- 10.5% of fair market value.

⁽¹⁾ The business inventory tax provided for by Section 12-37-1420, Code of Laws of South Carolina, 1976, as amended, has been phased out by amendments thereto. The amendments further provide that the business inventory exempted from property taxation shall nevertheless be considered taxable property for purposes of bonded indebtedness pursuant to Sections 14 and 15 of Article X of the South Carolina Constitution based on values for the year 1987.

The County Assessors appraise and assess each year all real property and mobile homes located within Lexington County and Richland County and certify the results to the County Auditors (with the exception of Manufacturer's Real Property which is certified by the South Carolina Department of Revenue ("DOR")). The County Auditors appraise and assess all motor vehicles (except for large trucks, which are appraised and assessed by the DOR), marine equipment, business personal property and airplanes. The DOR furnishes guides for use by the Counties in the assessment of automobiles, automotive equipment, and certain other classes of property and directly assesses the real and personal property of public utilities, manufacturers and business equipment.

In each year, upon completion of its work, the DOR certifies its assessments to the County Auditors. During August and September of each year the County Auditors prepare assessment summaries from the respective certifications, determine the appropriate millage levies, prepare the tax rolls and then in September charge the County Treasurer with the collection. With the exception of motor vehicles, the South Carolina Tax Control date is December 31st for the ensuing tax year. South Carolina has no state-wide property tax.

The DOR has been charged with the responsibility of taking steps necessary to ensure equalization of assessments statewide in order that all property is assessed uniformly and equitably throughout the State, and may require reassessment of any part or all of the property within a County. Under law enacted by the South Carolina General Assembly in 1995, every fourth year the County and the State are required by law to effect an appraisal of all property within the County and to implement that appraisal as a new assessment in the following year. Regulations of DOR effectively require that a reappraisal program must be instituted by a county if the median appraisal for all property in such county (as a whole or for any class of property) is higher than 105% or lower than 80% of fair market value. The

latest reassessment in Richland County was completed in 2010 and the next reassessment is anticipated to take place in Fiscal Year 2014-15. The latest reassessment in Lexington County took place in Fiscal Year 2010-11, and the next reassessment is anticipated to take place in Fiscal Year 2015-16.

Act No. 388 adopted by the South Carolina General Assembly on June 1, 2006 (“Act 388”), provides that, beginning July 1, 2007, the growth in valuation of real property attributable to reassessment may not exceed 15% for each five year reassessment cycle. Growth in valuation resulting from improvements to real property are exempt from this restriction. Moreover, upon the sale of any parcel of real property or other “assessable transfer of interest,” including long-term leases, conveyances out of trusts, and other defined events, but excluding transfers between spouses, such parcel will be reassessed to its then-current market value.

Legislation adopted in the 2011 session of the General Assembly further limits the reassessment of property assessed at six percent (6%) of market value, e.g. commercial property and non-owner occupied homes. Upon an assessable transfer of interest of such property, the new assessed value for tax purposes is the greater of (a) 75% of the fair market value of the property at the time of sale or (b) 100% of the fair market value of the property according to the most recently completed county-wide reassessment.

The foregoing limitation on increases in assessed value may materially affect the growth in the District’s assessed value, and, thus, debt limit, over time.

Millage Levy Authority

Act 388 limits increases in the rate of millage levied for operational purposes by all political subdivisions and school districts. Beginning July 1, 2007, the annual millage rate for operations may increase only at a rate equal to the sum of (a) the increase in the consumer price index, plus (b) the rate of population growth of the political subdivision or school district. This limitation may be overridden by a vote of two-thirds of the governing body of the political subdivision or school district, but only for the following purposes and only in a year in which such condition exists:

- (1) a deficiency of the preceding year;
- (2) any catastrophic event outside the control of the governing body such as a natural disaster, severe weather event, act of God, or act of terrorism, fire, war, or riot;
- (3) compliance with a court order or decree;
- (4) taxpayer closure due to circumstances outside the control of the governing body that decreases by ten percent or more the amount of revenue payable to the taxing jurisdiction in the preceding year; or
- (5) compliance with a regulation promulgated or statute enacted by the federal or State government after the ratification date of this section for which an appropriation or a method for obtaining an appropriation is not provided by the federal or State government.

Legislation adopted in 2011 allows a local government to apply in any year millage rate increases which were permitted, but not implemented, in any of the three most recent prior fiscal years under the inflation and population growth limitations imposed by Act 388. For example, if a local government was allowed a two mill increase in 2009 and a three mill increase in 2010 but implemented neither, it could implement a five mill increase in 2012 (along with any increase arising that year).

The District does not have the authority to levy taxes for operations. The limitations imposed by Act 388, however, may have an adverse impact on the District, since Richland County Council and Lexington County Council, both of which voluntarily provide operating funds to the District, are subject to Act 388.

Payments in Lieu of Taxes

South Carolina has adopted an array of property tax inducements and incentives to promote investment in the State. Qualifying investments of \$5 million (\$1 million in some counties and for certain “brownfield” sites) or more may be negotiated for payments in lieu of taxes for a period of 20 years based on assessment ratios of as little as 6% and using millage rates that are either fixed for 20 years or adjusted every fifth year. In some cases, owners of projects may also design a payment schedule so long as the present value of the payments under the schedule are equal to the present value of the payments that would have been made without the schedule. A more generous inducement is available for projects creating at least 200 new jobs and providing new invested capital of not less than \$200 million and a total investment of not less than \$400 million. For these projects payments may be negotiated based on assessment ratios of as low as 4% and for a term of 30 years.

The State provides alternative provisions respecting the distribution of payments in lieu of taxes to entities having taxing jurisdiction at the location of the investment: (i) revenues received in respect of property that is not included in a multicounty industrial park (“MCIP”) are allocated annually in proportion to the amounts that would have been received by the taxing entities if the payments were taxes, based on the relative millage rates of overlapping taxing entities in a given year; (ii) revenues received from property that is in an MCIP, however, is distributed in accordance with the agreement creating the park; the amount of the distribution to each taxing entity is, for all practical purposes, controlled by the County. Property may be included in an MCIP under terms of agreements between two or more counties with individual sites being determined primarily by the county in which they are located. Payments in lieu of taxes may be diverted from taxing entities to fund projects which support economic development activities, including projects that are used solely by a single enterprise, either directly or through the issuance of special source revenue bonds secured by payments in lieu of taxes. A county government may also divert payments in lieu of taxes derived from an MCIP to its own corporate purposes or those of other taxing entities in that county.

Several of the largest taxpayers in Richland County and in Lexington County pay a “fee-in-lieu” of taxes with respect to new manufacturing projects, and each year new fee-in-lieu arrangements are made with other new manufacturing investments.

Projects on which these payments in lieu of taxes are made are considered taxable property at the level of the negotiated payment for purposes of calculating bonded indebtedness limits and for purposes of computing the index of taxpaying ability pursuant to the South Carolina Education Financing Act. If the property is situated in an MCIP, the calculation of assessed value for debt limit purposes is based upon the relative share of payments received by all taxing entities which overlap the MCIP. Accordingly, a recipient of payments from an MCIP is able to include only a fraction of the assessed value of property therein in calculating its debt limit.

If a county, municipality or special purpose district pledges to the repayment of special source revenue bonds any portion of the revenues received by it from a payment in lieu of taxes, it may not include in the calculation of its general obligation debt limit the value of the property that is the basis of the pledged portion of revenues. If such political subdivision, prior to pledging revenues to secure a special source revenue bond, has included an amount representing the value of a parcel or item of property that is the subject of a payment in lieu of taxes in the assessed value of taxable property located in the political subdivision and has issued general obligation debt within a debt limit calculated on the basis of such assessed value, then it may not pledge revenues based on the item or parcel of property, to the extent that the amount representing its value is necessary to permit the outstanding general obligation debt to not exceed the debt limit of the political subdivision.

As an alternative to the issuance of special source revenue bonds, the owners of qualifying projects may receive a credit against payments in lieu of taxes due from the project to pay certain project costs. If a county, municipality or special purpose district agrees to allow a credit against the payments in lieu of taxes it would otherwise receive, it is subject to the limitations on calculation of its debt limit as described in the preceding paragraph.

Method by Which Tax Levy is Made

In South Carolina, local taxes for counties, schools and special purpose districts are levied as a single tax bill which each taxpayer must pay in full. Taxes are levied by the Auditors of the various counties. In each County, current and delinquent tax collections are made through the office of the Treasurer of that County.

Tax bills are mailed from the Treasurer's office on September 30 or as soon thereafter as is practicable. Taxes are payable without penalty until January 15. A penalty of 3% is added on January 16th, an additional penalty of 7% is added on February 2nd and an additional penalty of 5% is added on March 17th, at which time the office of the Treasurer issues orders of execution on all unpaid accounts.

Assessed Values of Richland County

<u>Calendar Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Total</u>
2011	\$1,108,020,740	\$353,665,089	\$1,461,685,829
2010	1,100,346,170	348,025,024	1,448,371,194
2009 ⁽¹⁾	1,080,617,330	373,541,537	1,454,158,867
2008	962,949,430	379,727,374	1,342,676,804
2007	906,708,960	371,944,430	1,278,653,390

⁽¹⁾ Reassessment year.

Excludes Merchant's Inventory of \$21,626,538, motor carrier reimbursement, reimbursements of manufacturer's depreciation, property in multicounty industrial parks and property otherwise subject to fee in lieu of taxes.

Source: Richland County Auditor.

Assessed Values of Lexington County

<u>Calendar Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Total</u>
2011	\$775,507,740	\$261,698,716	\$1,037,206,456
2010 ⁽¹⁾	747,869,170	269,729,550	1,017,598,720
2009	681,995,220	278,400,800	960,396,020
2008	653,479,660	281,726,370	935,206,030
2007	608,676,100	275,867,840	884,543,940

⁽¹⁾ Reassessment year.

Excludes Merchant's Inventory of \$8,897,130, motor carrier reimbursement, reimbursements of manufacturer's depreciation, property in multicounty industrial parks and property otherwise subject to fee in lieu of taxes.

Source: Lexington County Auditor.

2011 Market Value/Assessment Summary of the District

<u>Class of Property</u>	<u>Market Value</u>	<u>Assessment Ratio</u>	<u>Assessed Value</u>
1. Real Property and Mobile Homes	\$40,197,358,355	4.0% & 6.0%	\$1,883,528,480
2. Motor Vehicles - Business	220,184,189	10.50%	23,119,340
Motor Vehicles - Personal	3,223,203,710	6.00%	202,902,776
3. Public Utilities and Railroads	1,882,231,057	10.50%	200,081,790
4. Manufacturing Property	706,611,665	10.50%	74,093,420
5. Marine Equipment/Airplanes	158,525,755	10.50%	16,537,197
6. Business Personal Property- County	212,963,406	10.50%	22,542,130
7. Business Personal Property - State	<u>715,521,997</u>	10.50%	<u>76,087,152</u>
TOTAL	\$47,316,600,134		\$2,498,892,285

Excludes motor carrier reimbursements pursuant to §12-37-2810 et seq. of the South Carolina Code, reimbursements of manufacturer's depreciation pursuant to §12-37-935(b) of the South Carolina Code or property in multicounty industrial parks and property otherwise subject to fee in lieu of taxes. Also excludes Merchant's Inventory of \$30,523,668.

Source: Richland County Auditor and Lexington County Auditor.

Tax Collection Record of Lexington County

The following table shows the record of collections by the Treasurer of Lexington County of all ad valorem taxes in the following years:

<u>Fiscal Year</u>	<u>Taxes Levied</u>	<u>Current Collections</u>	<u>Current % Collected</u>	<u>Delinquent Collections</u>	<u>Total Collections</u>	<u>% of Total Collections</u>
2012-13 ⁽¹⁾	\$447,362,176	\$315,816,724	70.60%	N/A	\$315,816,724	70.60%
2011-12	439,391,359	422,917,615	96.25	12,652,934	435,570,549	99.13
2010-11	419,105,455	404,075,673	96.41	12,826,518	416,902,191	99.47
2009-10	386,668,491	373,275,018	96.54	12,565,573	385,840,591	99.79
2008-09	373,660,471	360,283,470	96.42	12,793,391	373,076,861	99.84
2007-08	340,755,157	330,709,936	97.05	9,583,357	340,293,293	99.86

⁽¹⁾ Preliminary collections as of May 31, 2013.

Source: Lexington County Treasurer.

Tax Collection Record of Richland County

The following table shows the record of collections by the Treasurer of Richland County of all ad valorem taxes in the following years:

<u>Fiscal Year</u>	<u>Taxes Levied</u>	<u>Current Collections</u>	<u>Current % Collected</u>	<u>Delinquent Collections</u>	<u>Total Collections</u>	<u>% of Total Collections</u>
2012-13 ⁽¹⁾	\$630,197,330	\$568,767,021	90.25%	\$23,635,466	\$592,402,487	94.00%
2011-12	605,073,956	568,429,597	93.94	25,175,798	593,605,395	98.10
2010-11	595,261,626	556,447,864	93.47	28,083,286	584,531,150	98.19
2009-10	589,182,448	551,880,222	93.66	21,515,638	573,395,860	97.32
2008-09	557,557,722	518,400,403	92.97	18,885,135	537,285,538	96.36
2007-08	508,530,802	477,399,143	93.87	19,540,001	496,939,144	97.72

⁽¹⁾ Preliminary collections as of May 31, 2013.

Source: Richland County Treasurer.

Largest Taxpayers in Richland County

The ten largest taxpayers in Richland County, the preliminary 2012 assessed value of their taxable property, and the total amount of County (and other taxing entities) 2012-13 estimated taxes paid by each taxpayer are shown below.

	<u>Name</u>	<u>Preliminary 2012 Assessed Value</u>	<u>Estimated County Taxes Paid⁽¹⁾</u>
1.	South Carolina Electric & Gas	\$62,639,330	\$28,490,914.25
2.	International Paper Company*	23,401,343	8,718,580.65
3.	Bellsouth Telecom, Inc.	12,339,500	5,850,187.95
4.	Blue Cross Blue Shield	11,729,260	4,913,812.44
5.	Cellco Partnership	8,761,600	3,904,665.40
6.	Westinghouse Electric Company	6,538,654	2,056,270.49
7.	Time Warner Ent/Advance Newhouse	3,918,950	1,873,538.05
8.	Bottling Group LLC	3,027,008	1,312,189.98
9.	Dovetail of Columbia LLC	2,961,100	1,253,137.52
10.	Fairfield Electric CO-OP LLC	2,644,150	1,250,496.04

⁽¹⁾ Includes other taxing entities.

*Includes fee-in-lieu of taxes.

Source: Richland County Treasurer.

Largest Taxpayers in Lexington County

The ten largest taxpayers in Lexington County, the 2012 assessed value of their taxable property, and the total amount of 2012-13 County taxes paid by each taxpayer are as follows:

	<u>Name</u>	<u>2012 Assessed Value</u>	<u>2012-13 Taxes Paid</u>
1.	South Carolina Electric & Gas*	\$71,493,580	\$26,068,068.46
2.	Michelin North America, Inc.*	19,313,980	5,610,705.28
3.	Mid-Carolina Electric Coop. Inc.	7,964,700	3,148,164.67
4.	SCANA Services Inc.*	11,831,100	2,711,310.25
5.	AT&T Mobility f/k/a Cingular W	5,100,040	2,365,561.14
6.	Shaw Industries Group, Inc.*	6,521,220	2,352,971.89
7.	GGP Columbiana Trust	2,988,360	1,405,578.90
8.	Time Warner Ent. – Advance/Newho*	3,635,660	1,324,028.74
9.	BellSouth Telecommunications Inc.	3,755,610	1,268,975.66
10.	Owen Electric Steel Co. of S.C.*	3,158,190	1,094,160.38

*Includes fee-in-lieu of taxes.

Source: Lexington County Auditor.

IV.

DEBT STRUCTURE

Outstanding Debt

The outstanding general obligation bonded indebtedness of the District chargeable against the District's debt limit presently amounts to \$900,000 and includes the bonds described in (a) below. The general obligation bonds described in (b) below are not chargeable against the general obligation debt limit as they were issued to refund prior debt.

- a) the now outstanding \$900,000 of an original issue of \$5,000,000 General Obligation Bonds, Series 1998, of Richland-Lexington Riverbanks Park District, South Carolina, dated November 1, 1998 which matures on March 1, 2014.
- b) the now outstanding \$6,405,000 of an original issue of \$9,020,000 General Obligation Refunding Bonds, Series 2008, of Richland-Lexington Riverbanks Park District, South Carolina, dated June 4, 2008 which mature on March 1 in each of the years as follows:

\$780,000 in the year 2014; \$1,455,000 in the year 2017; and
1,340,000 in the year 2015; 1,495,000 in the year 2018.
1,335,000 in the year 2016;

Composite Debt Service

The following table shows the annual debt service requirements (principal and interest) on the outstanding Bonds of the District, including the Series 2013 Bonds:

<u>Calendar Year</u>	<u>Series 1998 Bonds</u>	<u>Series 2008 Bonds</u>	<u>Series 2013 Bonds</u>
2013	\$775,500.00	\$1,003,920.04	
2014	<u>918,000.00</u>	991,728.04	
2015		1,514,416.04	
2016		1,462,336.04	
2017		1,533,232.04	
2018		<u>1,521,312.04</u>	
TOTAL	\$1,693,500.00	\$8,026,944.24	

The District also has outstanding several notes, the principal of and interest on which are repaid from revenues of the District and funds of the Society, rather than from ad valorem taxes. These notes are detailed in Note 7 to the basic financial statements of the District for the year ended June 30, 2012 appearing at Exhibit A to this Official Statement.

Overlapping Debt

The following table provides the outstanding long-term general obligation indebtedness as of June 2, 2013 and the assessed values for each of the political units coterminous with or located within the District.

<u>Name of Unit</u>	<u>2011 Assessed Value of Unit</u>	<u>Outstanding General Obligation Indebtedness</u>
City of Cayce	\$46,523,757	None ⁽¹⁾
City of Columbia	504,572,104	33,515,000 ⁽²⁾
East Richland County Public Service District	238,389,050	9,069,904 ⁽³⁾
Irmo-Chapin Recreation District	281,832,275	6,490,000
Lexington County	1,037,206,456	54,317,138 ⁽⁴⁾
Lexington County Recreation District	755,016,891	19,200,000
Richland County	1,496,854,295	92,160,000 ⁽⁵⁾
Richland County Recreation District	1,017,710,961	46,030,000
Richland-Lexington Airport District	2,534,060,751	10,000,000
School District No. 1 of Lexington County	458,712,327	350,310,000 ⁽⁶⁾
School District No. 2 of Lexington County	226,738,740	30,547,000 ⁽⁷⁾
School District No. 3 of Lexington County	39,265,540	7,680,000
School District No. 4 of Lexington County	30,657,574	31,610,000
School District No. 5 of Lexington and Richland Counties	460,738,175	240,680,000
School District No. 1 of Richland County	793,458,538	453,900,000
School District No. 2 of Richland County	524,489,857	510,230,000

⁽¹⁾ Excludes \$1,779,967 Tax Increment Bonds outstanding.

⁽²⁾ Excludes \$34,780,000 COP's outstanding and excludes \$44,220,000 Parking Revenue Bonds outstanding.

⁽³⁾ G.O. State revolving loan secured by and payable from ad valorem taxes.

⁽⁴⁾ Includes \$42,138 G.O. bonds outstanding issued for Stonebridge Drive Improvement District.

⁽⁵⁾ Excludes \$22,860,000 Assessment Revenue Bonds outstanding, \$370,000 Taxable Special Source Revenue Bonds outstanding and \$14,940,000 Hospitality Tax Refunding Revenue Bonds outstanding. The District has pledged sewer revenues of the Broad River Sewer System for the Series 2003E and 2007B and 2011A G.O. bonds (currently outstanding \$36,620,000 combined which is included in debt figure above). Also included in above figure is \$5,940,000 G.O. bonds payable from a special millage in Richland Fire Protection District.

⁽⁶⁾ Excludes \$81,490,000 Installment Purchase Revenue Bonds outstanding.

⁽⁷⁾ Excludes \$30,625,000 Installment Purchase Revenue Bonds outstanding.

Source: Richland and Lexington County Auditor's Office; Carolinas Municipal Advisory Council.

Anticipated Capital Needs

The Bonds will exhaust the District's present ability to issue general obligation debt under the authorizations provided by the County Councils of Richland County and Lexington County to issue not exceeding \$32,000,000 in general obligation debt. The District does not plan to issue additional general obligation debt within the next five years.

V.

ECONOMIC CHARACTERISTICS AND DATA

Description of Lexington County and Richland County, South Carolina

Lexington County and Richland County are located in the Columbia Metropolitan Statistical Area (the “Columbia MSA”) which consists of Richland, Lexington, Calhoun, Fairfield, Kershaw and Saluda Counties, and which had a 2010 population of 767,598.

The Counties enjoy a balance between business, industry and agriculture. Governmental entities are among the largest employers in the Counties. These entities include State and local governments, Fort Jackson (United States Army), other federal government entities and local school districts. In addition, there are significant industrial enterprises located within the Columbia MSA such as the State headquarters of Blue Cross/Blue Shield of South Carolina and the home offices of South Carolina Electric & Gas Company. The Columbia MSA is also home to many international companies such as Boral Bricks, Inc. and Industrial Galvanizers Columbia, both of Australia, FN Manufacturing, Inc. of Belgium; JB Martin Company and Schneider Electric/Square D Co., both from France; Holopack International and Hueck Foils LLC of Germany; Union Switch & Signal, Inc. of Italy; Koyo Corp. of USA and TCM Manufacturing, USA, Inc. both of Japan; and Westinghouse Electric of the United Kingdom.

Commerce and Industry

In March, 2013, Constantia Hueck Foils LLC announced plans to expand its Northpoint production facility located in Blythewood in Richland County with an additional 15,000 square feet as well as additional equipment. The \$12 million investment is expected to generate 15 new jobs. The company, based in Vienna, Austria, specializes in the development and production of high-performance, flexible and innovative packaging for the pharmaceutical and food industries.

In January, 2013, Time Warner Cable, a provider of cable television and internet services, announced plans to expand its operations in Lexington County. The \$24 million investment will expand the company’s Retention Center, Telesales Operations Support and Payment Services, and is expected to create 644 new jobs over the next year. Time Warner Cable currently employs nearly 1,300 across the State, is the largest cable provider in South Carolina, and the second largest in the country.

Amazon.com, Inc. has established a new one million square-foot distribution and fulfillment center in the Saxe Gotha Industrial Park in Lexington County. The facility, located off of I-77, provides interstate access and is close to the UPS ground hub near the Columbia Metropolitan Airport. Amazon’s \$100 million investment is expected to create 1,249 new permanent jobs, and an additional 2,500 seasonal positions.

JTEKT Corporation, an automotive systems and industrial components supplier, announced in November, 2012, plans to expand its Koyo brand bearing manufacturing facility in Richland County. The plant manufactures bearing hub units for automotive customers such as Toyota, BMW and General Motors. The planned expansion will double the size of the facility to more than 500,000 square feet. The \$130 million investment is expected to create 175 new jobs over the next three years.

In May, 2012, WNS (Holdings) announced plans to open a new delivery center in Richland County which will be the company’s first operations in North America. The new 23,000 square foot center will provide the company’s U.S.-based clients with finance, accounting and research services and solutions to key industry areas such as travel, insurance, banking and financial services, manufacturing, retail, shipping and utilities. WNS (Holdings) is a leading provider of global business process

outsourcing services such as finance, accounting, customer care, technology solutions, research and analytics.

Michelin North America, Inc. announced in April, 2012 that the company will expand its Earthmover tire production in Lexington County and in Anderson County with a \$750 million investment expected to generate 500 new jobs. In May, 2011, Michelin North America announced its investment of \$200 million in its current Lexington facility to further expand its tire building capacity, with this expansion creating approximately 270 new jobs.

Major Industrial Employers

The following table shows the ten largest industrial employers within the Columbia MSA, their type of business and their approximate number of employees.

Name	Type of Business	Number of Employees
SCE&G/SCANA	Electric and Gas Transmission	2,485
Michelin North America Inc	Passenger & light truck tires	1,835
Amick Farms, Inc.	Poultry Processing	1,700
United Parcel Service	Distribution	1,423
Westinghouse Electric	Manufacturing: Nuclear fuel assemblies	1,200
Amazon.com Fullfillment Center	Transportation & Distribution	1,000
V.C. Summer Nuclear Plant	Nuclear Energy Generation	926
Bose Corporation	Manufacturing: Radios	870
INVISTA	Manufacturing: Textiles	800
International Paper Co.	Manufacturing: Cutsie copier paper	700

Source: Central SC Alliance

Major Non-Industrial Employers

The following table shows the ten largest non-industrial employers (other than the governmental entities described under “Government Employers” below) located within the Columbia MSA, their type of business and their approximate number of employees.

Name	Type of Business	Number of Employees
Palmetto Health Alliance	Health Care	9,000
Blue Cross & Blue Shield of S.C.	Insurance	6,459
Lexington Medical Center	Health Care	5,200
Wal-Mart	Retail	4,200
AT&T	Telecommunication	2,400
Humana / TriCare	Insurance	2,100
Providence Hospitals	Health Care	2,075
Palmetto GBA	Medicare health insurance	1,900
Verizon	Telecommunications -Service	1,500
Wells Fargo Bank	Banking	1,475

Source: Central SC Alliance

Government Employers

Governmental entities in the Columbia MSA include State government, local governments, federal governmental entities and local school districts. The table below lists the ten largest governmental employers within the Columbia MSA and their approximate number of employees.

Name	Approximate Number of Employees
State of South Carolina	24,791
University of South Carolina	8,717
S.C. Department of Mental Health	4,917
S.C. Department of Transportation	4,553
Richland County School District No. 1	4,036
S.C. Department of Health and Environmental Control	3,445
Richland County School District No. 2	3,300
Lexington County School District No. 1	3,200
City of Columbia	2,150
Richland County	1,708

Source: Central SC Alliance

Retail Sales

Lexington County ranked 4th and Richland County ranked 5th in retail sales in 2012 out of the 46 counties in the State. The following table shows retail sales of businesses located in Lexington County and Richland County:

<u>Year</u>	<u>Lexington County</u>	<u>Richland County</u>
2012	\$10,543,003,457	\$10,523,588,911
2011	9,542,001,293	10,544,798,279
2010	8,185,948,523	10,365,985,105
2009	8,725,938,764	9,711,230,968
2008	9,682,514,052	10,815,456,663

Source: South Carolina Department of Revenue

Population

The population of Lexington County, Richland County and the Columbia MSA for the preceding four decades and the April 1, 2010 census is set forth in the following table:

<u>Year</u>	<u>Lexington County</u>	<u>Richland County</u>	<u>Columbia MSA</u>
1970	89,012	233,868	322,880
1980	140,353	269,600	409,953
1990	167,611	286,321	453,932
2000	216,014	320,677	647,158
2010	262,391	384,504	767,598

Source: U.S. Department of Commerce, Bureau of the Census; Board of Economic Advisors and Office of Economic Research of the S.C. Budget and Control Board

Unemployment

Unemployment rates for June, 2013 were 6.9% for Lexington County and 8.5% for Richland County. The annual unemployment rates for Lexington County and Richland County for the last five years are shown below:

<u>Year</u>	<u>Lexington County</u>	<u>Richland County</u>	<u>South Carolina</u>	<u>United States</u>
2012	6.9%	8.4%	9.1%	8.1%
2011	7.9	9.3	10.4	8.9
2010	8.2	9.7	11.2	9.6
2009	8.2	9.4	11.5	9.3
2008	4.8	6.1	6.8	5.8

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Labor Force and Employment (Lexington County)

	<u>Annual Average</u>				
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Civilian Labor Force	132,699	133,079	132,666	134,516	134,532
Employment	126,268	122,187	121,822	123,898	125,220
Unemployment	6,431	10,892	10,844	10,618	9,312
Percent of Labor Force	4.8%	8.2%	8.2%	7.9%	6.9%

⁽¹⁾ Workers involved in labor disputes are included among the employed. Total employment also includes agricultural workers, proprietors, self-employed persons, workers in private households and unpaid family workers.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Labor Force and Employment (Richland County)

	<u>Annual Average</u>				
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Civilian Labor Force	180,542	180,033	181,224	182,471	182,705
Employment	169,595	163,079	163,703	165,500	167,267
Unemployment	10,947	16,954	17,521	16,971	15,438
Percent of Labor Force	6.1%	9.4%	9.7%	9.3%	8.4%

Workers involved in labor disputes are included among the employed. Total employment also includes agricultural workers, proprietors, self-employed persons, workers in private households and unpaid family workers.

Source: S.C. Employment Security Commission, Labor Market Information Division; U.S. Department of Labor, Bureau of Labor Statistics.

Per Capita Personal Income

The following table shows the per capita personal income in Lexington County and Richland County, residence adjusted, for the years in which data is available:

	Lexington	Richland	South	United
<u>Year</u>	<u>County</u>	<u>County</u>	<u>Carolina</u>	<u>States</u>
2011	\$35,211	\$36,347	\$33,388	\$41,560
2010	34,313	35,018	32,193	39,971
2009	34,105	34,448	31,448	38,637
2008	36,205	36,032	32,971	40,947
2007	35,624	34,960	31,990	39,506

Source: Board of Economic Advisors and Office of Economic Research of the State Budget and Control Board; U.S. Department of Commerce; Bureau of Economic Analysis.

Building Permits (Richland County)

The following table shows the number of residential and non-residential building permits issued by Richland County for the years in which data is available.

<u>Year</u>	<u>Residential</u>		<u>Non-residential</u>		<u>Total</u>	
	<u>Permits</u>	<u>Construction Costs</u>	<u>Permits</u>	<u>Construction Costs</u>	<u>Permits</u>	<u>Construction Costs</u>
2012	2,180	\$308,344,890	304	\$202,983,618	2,484	\$511,328,508
2011	1,714	227,164,202	216	81,657,729	1,930	308,821,931
2010	1,843	222,914,564	150	64,896,890	1,993	287,811,454
2009	1,316	174,863,603	126	54,468,538	1,442	229,332,141
2008	2,165	283,864,593	167	52,111,529	2,332	335,976,122

Source: Central Midlands Council of Governments

Building Permits (Lexington County)

The following table shows the number of residential and non-residential building permits issued by Lexington County for the years in which data is available.

<u>Year</u>	<u>New Residential</u>		<u>New Non-Residential</u>	
	<u># of Permits</u>	<u>Cost</u>	<u># of Permits</u>	<u>Cost</u>
2012	1,225	\$280,250,552	68	\$65,174,499
2011	1,027	207,010,325	62	98,194,263
2010	901	202,521,166	82	49,113,971
2009	913	172,338,442	104	82,917,595
2008	1,252	225,106,935	171	120,106,121

<u>Year</u>	<u>Repair/Renovation - Residential⁽¹⁾</u>		<u>Repair/Renovation - Non-Residential</u>	
	<u># of Permits</u>	<u>Cost</u>	<u># of Permits</u>	<u>Cost</u>
2012	415	\$10,120,944	143	\$46,641,395
2011	346	10,338,320	156	29,171,754
2010	393	15,133,402	145	18,612,109
2009	482	17,462,680	100	12,566,079
2008	690	25,098,217	218	27,646,033

⁽¹⁾ Certain structures previously included in New Non-Residential are now included in Repair/Renovation-Residential. These structures include but are not limited to pools, storage buildings, barns, sheds and detached garages.
Source: Lexington County Department of Planning and Development.

Facilities Serving the District and Columbia MSA

Transportation -- The Columbia MSA is served by interstate highways I-26, I-20 and I-77 and a network of U.S. and S.C. highways. Rail freight service is provided by CSX Transportation and Norfolk Southern Corporation. Rail passenger service is available through Amtrak. Nationwide freight service is available through approximately 50 motor freight lines regularly serving the area. Intercity bus service is provided by Continental Trailways served by Greyhound Bus Lines.

The Columbia Metropolitan Airport (the "Airport") located in the unincorporated area of the County, and approximately six miles southwest of the City of Columbia's central business district, is comprised of two runways, associated taxiways, an air traffic control tower, aviation fuel storage facilities, aircraft parking aprons, a passenger terminal building, air cargo buildings, general aviation hangars and terminals, support facilities for the U. S. Army Reserve, the aeronautical facilities of the State's Department of Commerce, Division of Aeronautics, roads, grounds and public parking facilities; all of which are located on approximately 2,600 acres. Air operations are conducted on an 8,600-foot x 150-foot runway and an 8,000-foot x 150-foot runway. A multi-level parking structure and surface parking lots together provide 3,505 public parking spaces. The Airport serves more than 1.2 million passengers annually and processes more than 168,000 tons of air cargo. An 108-acre parcel of the Airport property has been designated as Foreign Trade Zone 127 by U.S. Customs. The Columbia Airport Enterprise Park (CAE Park) is a 435-acre industrial park located on the airport complex. There are two fixed base operators providing general aviation services.

The passenger airlines which currently serve the Airport are: American Eagle, Delta Air Lines, United Express and US Airways Express, which provide nonstop departures to the connecting hub airports in Atlanta, Charlotte, Chicago, Dallas/Fort Worth, Detroit, Houston, New York, Newark, Philadelphia and Washington DC. Federal Express and UPS also serve the Columbia MSA through the Airport.

The Airport is the site of the southeastern region Air/Ground Hub and Sortation Station of United Parcel Service (UPS) which UPS uses for both its Next Day Air and Second Day Air package delivery services. UPS operates a package sortation building encompassing approximately 352,000 square feet on a 50-acre site near the Airport, which it purchased from the Airport. UPS is also leasing from the Airport a 35,000 square foot office building on a nine-acre site in CAE Park which houses the 200-person staff that reconciles and administers UPS' system-wide COD delivery services. UPS is operating with a minimum of 20 daily jet freighter arrivals and 20 departures at the Airport.

In 2010, Atlantic Southeast Airlines, a wholly owned subsidiary of SkyWest, Inc., opened its regional jet maintenance facility at the Airport. The Airport is Atlantic Southeast's primary overnight maintenance base for its regional jet fleet serving United Express. The maintenance facility can accommodate up to three aircraft at a time.

The Owens Field Airport, with a 4999-foot x 75-foot runway with a 400-foot stopway, is located in the southeast section of the City of Columbia and is used by private and other small aircraft.

Medical and Health Services. The Columbia MSA is a regional health center with five primary acute care hospitals: Palmetto Health Richland, Palmetto Health Baptist, Providence Hospital and Providence Hospital North East located in Columbia and Lexington Medical Center ("LMC"), a major medical facility located in Lexington County. There are five psychiatric hospitals and approximately 100 licensed nursing homes and community residential care facilities in the Columbia MSA. In addition, there are two federal facilities located within the Columbia MSA: William J. Dorn Veterans Hospital and Moncrief Army Hospital located at Fort Jackson.

Public Schools. There were approximately 48,150 pupils enrolled in public schools in Richland County and 52,253 enrolled in the public school system in Lexington County for the 2011-2012 school year, based upon 135-day attendance figures reported by the South Carolina Department of Education. All public schools are fully accredited and all teachers fully certified by the South Carolina Department of Education.

Higher Education -- There are eight main institutions of higher education in the MSA, the largest being the main campus of the University of South Carolina. The table below lists these institutions and their Fall 2012 enrollment.

<u>College/University</u>	<u>Enrollment</u>
University of South Carolina (Columbia Campus)	31,288
Midlands Technical College	11,949
Benedict College	2,917
South University	1,587
Columbia College	1,258
Columbia International University	1,168
Allen University	672
Lutheran Theological Southern Seminary	100

Military. Fort Jackson, located within the city limits of Columbia, was established in 1917 and designated as a permanent post of the United States Army in 1940. Fort Jackson, which covers 82 square miles within the City of Columbia, serves as the U.S. Army's main center for Basic Combat Training, training in excess of 36,000 basic training and 8,000 advanced individual training soldiers every year. There are more than 3,500 active duty soldiers and their 12,000 family members who are assigned to the installation. Fort Jackson employs almost 3,500 civilians and provides services for more than 46,000 retirees and their family members. An additional 10,000 students annually attend courses at the Soldier Support Institute, Armed Forces Chaplaincy Center, National Center for Credibility Assessment and Drill Sergeant School. Recent facilities upgrades at the Fort include a Basic Combat Training star base, dual dining facility, Family Life and Resiliency Center and the 81st Regional Reserve Command.

The River Alliance -- The River Alliance (the "Alliance") is a non-profit public sector/private sector partnership, incorporated in 1995, founded by the following parties: County of Lexington, County of Richland, City of Cayce, City of Columbia, City of West Columbia, Central Midlands Council of Governments, Columbia Development Corporation, Greater Columbia Chamber of Commerce, Lexington County Economic Development Committee, Riverbanks Zoo and Botanical Gardens, South Carolina Electric & Gas Corporation, South Carolina State Budget and Control Board, University of South Carolina and Lexington County Economic Development Committee. The main goals of the Alliance include: improving recreational opportunities both on and off the rivers; preserving the natural riverine environment and the health of the watershed; strengthening residential communities in the downtown river areas; and providing the public with a clearer understanding of the area's river-related history. The River Alliance was selected to receive the 2005 South Carolina Wildlife Federation Conservation Award for Outdoor Ethics.

Recreation -- The Columbia MSA offers many opportunities for recreation and leisure activities. The Columbia Museum of Art maintains collections of European and American fine and decorative art that span centuries. The South Carolina State Museum is the largest museum in South Carolina and is located in America's first electric-powered textile mill. It is a comprehensive, hands-on museum with extensive exhibits of art, science and technology, and natural history. The Town Theatre is the oldest, continuously operating community theatre in the U.S. The theatre provides live community theatre

performances throughout the year with an emphasis on musicals, comedies and youth productions. The 67,000 square-foot EdVenture Children's Museum is a hands-on learning center that features world-class galleries/exhibits, an innovative mix of high-tech and high-touch opportunities, and a 200-seat theater. The University of South Carolina and other area universities and colleges offer a wide range of sports activities for both spectators and participants. Lake Murray, a 50,000-acre man-made lake with more than 500 miles of shoreline, provides opportunities for fishing, camping, boating, sailing and skiing as well as residential sites for single-family and multi-family development. Dreher Island State Park, a 348-acre island on Lake Murray, offers camping with 112 campsites, picnicking, fishing and swimming.

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VI.

CERTAIN LEGAL MATTERS

Litigation

There is no litigation presently pending or threatened challenging the validity of any general obligation debt issued or proposed to be issued by the District, including the Bonds.

Legal Opinion

The District will furnish, without cost to the successful bidder, the opinion of Bond Counsel, Haynsworth Sinkler Boyd, P.A., Columbia, South Carolina, the form of which is attached hereto as Appendix B. A certificate to the effect that there is no litigation threatened or pending to restrain the issuance and sale of the Bonds will be delivered at closing.

Haynsworth Sinkler Boyd, P.A. has assisted the District by compiling certain information supplied by the District and others and included in this Official Statement, but has not undertaken to verify the accuracy of such information. The opinion of Haynsworth Sinkler Boyd, P.A. will be limited solely to the legality and enforceability of the Bonds, and no opinion will be given with respect to this Official Statement.

The legal opinion to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinion as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to such transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

United States Bankruptcy Code

The undertakings of the District should be considered with reference to Chapter 9 of the Bankruptcy Code, 11 U.S.C. Section 901, *et. seq.*, as amended, and other laws affecting creditors' rights and municipalities generally. Chapter 9 permits a municipality, political subdivision, public agency, or other instrumentality of a State that is insolvent or unable to meet its debts as such debts mature to file a petition in the United States Bankruptcy Court for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of its creditors; provides that the filing of the petition under that Chapter operates as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; directs a petitioner to file a plan for the adjustment of its debts; permits the petitioner in its plan to modify the rights to payment of its creditors; and provides that the plan must be accepted in writing by or on behalf of creditors of each impaired class of claims holding at least two-thirds in amount and more than one-half in number of the creditors which have accepted or rejected the plan. The plan may be confirmed notwithstanding the negative vote of one or more classes of claims if the court finds that the plan is in the best interest of creditors, is feasible, and is fair and equitable with respect to the dissenting classes of creditors. A petitioner has the right to reinstate indebtedness under its plan according to the original maturity schedule of such indebtedness or alter the payment terms, maturity schedule and other provisions governing the indebtedness notwithstanding any provision in the documents under which the indebtedness arose relating to the insolvency or financial condition of the debtor before the confirmation of the plan, the commencement of a case under the Bankruptcy Code, or the appointment of or taking possession by a trustee in a case under the Bankruptcy Code or by a receiver or other custodian prior to the commencement of a case under the Bankruptcy Code.

Federal Income Tax Generally

On the date of issuance of the Bonds, Haynsworth Sinkler Boyd, P.A., Columbia, South Carolina (“Bond Counsel”), will render an opinion that, assuming continuing compliance by the Issuer with the requirements of the Internal Revenue Code of 1986, as amended (the “Code”), and the applicable regulations promulgated thereunder (the “Regulations”) and further subject to certain considerations described in “Collateral Federal Tax Considerations” below, under existing statutes, regulations and judicial decisions, interest on the Bonds is excludable from the gross income of the registered owners thereof for federal income tax purposes. Interest on the Bonds will not be treated as an item of tax preference in calculating the alternative minimum taxable income of individuals or corporations; however, interest on the Bonds will be included in the calculation of adjusted current earnings in determining the alternative minimum tax liability of corporations. The Code contains other provisions that could result in tax consequences, upon which no opinion will be rendered by Bond Counsel, as a result of (i) ownership of the Bonds or (ii) the inclusion in certain computations (including, without limitation, those related to the corporate alternative minimum tax) of interest that is excluded from gross income.

The opinion of Bond Counsel will be limited to matters relating to the authorization and validity of the Bonds and the tax-exempt status of interest on the Bonds as described herein. Bond Counsel makes no statement regarding the accuracy and completeness of this Official Statement.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel’s judgment as to the proper treatment of the Bonds for federal income tax purposes. Bond Counsel’s opinions are based upon existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel’s attention or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel’s opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service (the “IRS”) or the courts; rather, such opinions represent Bond Counsel’s professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinions.

The opinion of Bond Counsel described above is subject to the condition that the Issuer complies with all requirements of the Code and the Regulations, including, without limitation, certain restrictions on the use, expenditure and investment of the gross proceeds of the Bonds and the obligation to rebate certain earnings on investments of such gross proceeds to the United States Government, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Issuer has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The opinion of Bond Counsel delivered on the date of issuance of the Bonds is conditioned on compliance by the Issuer with such requirements and Bond Counsel has not been retained to monitor compliance with the requirements subsequent to the issuance of such Bonds.

State Tax Exemption

Bond Counsel is of the further opinion that the Bonds and the interest thereon are exempt from all taxation by the State of South Carolina, its counties, municipalities and school districts except estate, transfer or certain franchise taxes. Interest paid on the Bonds is currently subject to the tax imposed on banks by Section 12-11-20, Code of Laws of South Carolina 1976, as amended, which is enforced by the South Carolina Department of Revenue as a franchise tax. The opinion of Bond Counsel is limited to the

laws of the State of South Carolina and federal tax laws. No opinion is rendered by Bond Counsel concerning the taxation of the Bonds or the interest thereon under the laws of any other jurisdiction.

Collateral Federal Tax Considerations

Prospective purchasers of the Bonds should be aware that ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, life insurance companies, certain foreign corporations, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Bond Counsel expresses no opinion concerning such collateral income tax consequences and prospective purchasers of Bonds should consult their tax advisors as to the applicability thereof.

Future legislation, if enacted into law, or clarification of the Code may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise prevent owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislation or clarification of the Code may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisers regarding any pending or proposed federal tax legislation, as to which Bond Counsel expresses no opinion.

The IRS has established an ongoing program to audit tax-exempt obligations to determine whether interest on such obligations is includable in gross income for federal income tax purposes. Bond Counsel cannot predict whether the IRS will commence an audit of the Bonds. Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Issuer or the Owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. The IRS has taken the position that, under the standards of practice before the IRS, Bond Counsel must obtain a waiver of a conflict of interest to represent an issuer in an examination of tax-exempt bonds for which Bond Counsel had issued an approving opinion. Under current procedures, parties other than the Issuer and their appointed counsel, including the Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Issuer legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the Issuer or the Owners to incur significant expense, regardless of the ultimate outcome. Under certain circumstances, the Issuer may be obligated to disclose the commencement of an audit under the Continuing Disclosure Agreement. See, CONTINUING DISCLOSURE, herein.

Continuing Disclosure

In accordance with Act No. 442 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina for the year 1994, the District has covenanted in the Bond Resolution to file with a central repository for availability in the secondary bond market when requested (1) an annual independent audit, within thirty days of the District's receipt of the audit; and (2) event specific information, within thirty days of an event adversely affecting more than five percent of the District's revenue or tax base. The only remedy for failure by the District to comply with this covenant shall be an action for specific performance. Moreover, the Commission has specifically reserved the right to amend the covenant to reflect any change in Act 442 without the consent of any bondholder.

The District has covenanted for the benefit of the holders and beneficial owners of the Bonds to provide notice of the occurrence of certain enumerated events, if material. The notices of material events will be filed by the District with each Nationally Recognized Municipal Securities Information Repository and any State Depository hereafter established. The form of the Continuing Disclosure Certificate to be executed by the District is attached to this Official Statement as Appendix C. These covenants have been made in order to assist the Underwriters in complying with S.E.C. Rule 15c2-12 (the "Rule"). The District did not timely file its Annual Report for fiscal years ending June 30, 2007 through 2010. All information required by its prior continuing disclosure obligations under the Rule were filed on December 7, 2011, and measures have been put in place to ensure timely compliance in the future.

Closing Certifications

The District will furnish, without cost to the successful bidder, certifications by appropriate officials that the Official Statement relating to the Bonds as of its date and as of the date of delivery of the Bonds, does not contain an untrue statement of a material fact or omit to state a material fact which should be included therein for the purpose for which the Official Statement is intended to be used or which is necessary to make the statements contained therein, in the light of the circumstances in which they were made, not misleading.

Appropriate certification will be given by District officials to establish that the Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Code, and applicable regulations thereunder in effect on the occasion of the delivery of the Bonds.

Financial Advisor

Davenport & Company LLC, Charlotte, North Carolina has been employed by the District as its financial advisor for the offering of the Bonds. The Financial Advisor has not conducted a detailed investigation of the affairs of the District to determine the completeness or accuracy of this Official Statement. Because of its limited participation, the Financial Advisor has not independently verified any of the data contained herein and has no responsibility for the accuracy or completeness thereof.

Conclusion

Further inquiries should be addressed to Ms. Breta Smith, Chief Finance Officer, Richland-Lexington Riverbanks Park District, P.O. Box 1060, Columbia, South Carolina 29202-1060, telephone (803) 978-1102. Requests for additional copies of this Official Statement may be addressed to Theodore B. DuBose, Bond Counsel, Haynsworth Sinkler Boyd, P.A., Post Office Box 11889, Columbia, South Carolina 29211, telephone (803) 540-7830.

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VII.

RATINGS

Moody's Investors Service, Inc. ("Moody's") and Standard & Poor's ("S&P") (together, the "Rating Services") have assigned their municipal bond ratings of "Aa2" and "AA-", respectively. Such ratings reflect only the views of the Rating Services and an explanation of the significance of such ratings may be obtained from the Rating Services. The District has furnished to the Rating Services certain information and materials respecting the District and the Bonds. Generally, the Rating Services base their ratings on such information and materials and on investigations, studies and assumptions furnished to and obtained and made by them. There is no assurance that such ratings will remain unchanged for any period of time or that they may not be lowered or withdrawn entirely by the Rating Services, if in their judgment circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

VIII.

UNDERWRITING

The Bonds have been purchased at a competitive sale from the District for resale by _____ (the "Purchaser"). The Purchaser has agreed, subject to certain conditions, to purchase the Bonds at _____% of par. The initial public offering prices of the Bonds are as shown on the cover page of this Official Statement and may be changed from time to time by the Purchaser. The Purchaser may also allow a concession from the public offering prices to certain dealers. The initial public offering prices average approximately \$_____ per \$1000 face amount of the Bonds in excess of the purchase price paid to the District by the Purchaser. The Purchaser has received no fee from the District for underwriting the Bonds.

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IX.

CERTIFICATION

All quotations from and summaries and explanations of provisions of laws of the State herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof. All references to the Bonds and the determinations of the Commissioners of the District relating thereto are qualified in their entirety by reference to the definitive forms of the Bonds and the authorizing resolution and to such determinations. All such summaries, explanations and references are further qualified in their entirety by reference to the exercise of sovereign police powers of the State and the constitutional powers of the United States of America, and to valid bankruptcy, insolvency, reorganization, moratorium and other laws for the relief of debtors.

Certain of the information set forth in this Official Statement and in the appendices hereto has been obtained from sources other than the District that are believed to be reliable but is not guaranteed as to accuracy or completeness by the District. The information and expressions of opinion in this Official Statement are subject to change, and neither the delivery of this Official Statement nor any sale made under such document shall create any implication that there has been no change in the affairs of the District.

This Official Statement has been duly executed and delivered by the District as of the date shown on the cover page.

RICHLAND-LEXINGTON RIVERBANKS PARKS
DISTRICT, SOUTH CAROLINA

By: _____
Chairman, Richland-Lexington Riverbanks Parks
Commission, South Carolina

AUDITED FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2012

Report on Audit of Financial Statements of
Richland-Lexington Riverbanks Park District
for the fiscal year ended June 30, 2012

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Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Richland-Lexington Riverbanks Park District (the "District"), which collectively comprise the District's basic financial statements, as of and for the year ended June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit and, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2012, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2012, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information on pages 3 through 14 and 35 and 36, be presented to supplement the basic financial statements. Such information, although not 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Scott and Company LLC

Columbia, South Carolina
November 1, 2012

Richland-Lexington Riverbanks Park District
Management's Discussion and Analysis
For the Year Ended June 30, 2012

This discussion and analysis of the Richland-Lexington Riverbanks Park District's (the "District") financial performance provides an overall review of the District's financial activities for the year ended June 30, 2012. The purpose of this discussion and analysis is to review the District's complete financial performance including the financial reports of the Riverbanks Society, a private non-profit corporation, which is a component unit to the District. Readers should read the basic financial statements and the Notes to the Financial Statements to further enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2011-12 are as follows:

- The District's assets exceeded liabilities at the close of the fiscal year by \$23,890,010 (its "Net Assets"). Of this amount \$20,455,573 was related to capital assets, net of related debt, and the balance of \$3,434,437 was unrestricted.
- The District's net assets increased by \$1,457,843 from the previous fiscal year due primarily to an increase in visitor generated revenue (earned revenues).
- The District's total expenses were \$12,782,538 which includes depreciation, interest on long-term debt, including GO bond debt, and losses on the disposal of capital assets. Expenses increased \$585,032 from last fiscal year which will be explained in detail on the following pages.
- The District's total revenues were \$14,240,381, an increase of \$699,534 over last fiscal year. This increase is also explained in detail on the following pages.

Overview of the Financial Statements

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

Overview of the Financial Statements (continued)

Government-wide Financial Statements. The Government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector enterprise which is quite different from the standard governmental financial statements (fund financial statements). Two of the main differences involve the handling of capital assets. In the government-wide statements the acquisition of assets are capitalized as opposed to being treated as expenditures in governmental fund financial statements. Depreciation is recorded in the government-wide reports, where it isn't in governmental fund statements.

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

The *Statement of Net Assets* presents information on all of the District's assets and liabilities. The difference between the two is reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

Typically, the Government-wide Financial Statements distinguish between functions that are principally supported by taxes and those that are principally supported by user fees and charges. The District is somewhat unique in the government sector in that the majority of its revenues are from user fees and the minority are from taxes. The user fees and other associated revenues in zoos and aquariums are generally referred to as "earned revenue".

Fund Financial Statements. A "fund" is a grouping of related accounts that is used to maintain control over resources that have been segregated for a specific activity or objective. Fund Financial Statements are the historical form of government financial reporting. The District, like any other governmental entity, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. There are three types of funds – governmental, proprietary (business-type activities, such as a water department) and fiduciary funds (such as pension funds). The District maintains only governmental fund types.

Governmental funds are used to account for essentially the same functions reported in the Government-wide Financial Statements. However, unlike the Government-wide Financial Statements, fund financial statements focus on short-term inflows and outflows of available resources as well as on balances of available resources at the end of the fiscal year. In addition, these statements through budgetary comparisons report on how well the available funding was used for the purposes it was intended.

Overview of the Financial Statements (continued)

Fund Financial Statements (continued). Because the focus of Fund Financial Statements is narrower than that of the Government-wide Financial Statements, comparing the two presentations provides a more complete picture of the District's financial condition. Both the *Governmental Fund Balance Sheet* and the *Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances* provide reconciliations to facilitate this comparison.

The District maintains four individual governmental funds: the General Fund, the Debt Service Fund, the Capital Projects Fund and the Special Revenue Fund. Financial information for each of these funds is presented in the *Governmental Funds Balance Sheet* and the *Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances*.

1. The General Fund is used to account for transactions that represent most of the day-to-day operating activities of the District. This Fund is used to account for and report all financial resources not accounted for and reported in another fund. In addition to operating activities, the General Fund can include certain relatively small scale capital expenditures. Some debt service activity is also included in the General Fund, where resources of the General Fund are budgeted for the debt service.
2. The Debt Service Fund reports on transactions associated with the long-term debt of the District. This includes long-term loans where assets of the District have been pledged as collateral, as well as GO bond debt of the District.
3. The Capital Projects Fund is typically used to account for major capital improvement projects that are funded from non-operating sources such as GO bond issues. The District also uses this Fund to account for expenditures considered capital under the District's capitalization policy funded from operations, unrestricted fund balance and the Riverbanks Society. The purpose of doing so is to eliminate distortions in year-to-year comparisons of operating activities in the General Fund and to facilitate the capital budgeting process.
4. The Special Revenue Fund accounts for contributions from both the District and Aramark Entertainment, Inc., the District's concessionaire for all retail food and merchandise sales. The purpose of the Special Revenue Fund is to provide for the replacement of food and merchandise sales equipment and the improvement of food and merchandise sales facilities as agreed upon by both parties. Upon termination of the arrangement with Aramark, the fund shall be split 50/50 between both parties.

The District adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the budget (*Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget to Actual*).

The notes to the financial statements provide additional information that is essential to obtaining a full understanding of the data provided in the government-wide and fund financial statements.

Government-wide Financial Analysis

As noted earlier, changes in net assets may serve as a useful indicator of a government's financial position. At the end of fiscal 2012, assets exceeded liabilities by \$23,890,010. The largest portion of net assets (\$20,455,573 or 85%) represents the District's investment in capital assets (land, improvements, buildings and equipment), less accumulated depreciation and any related debt. Net assets increased \$1,457,843 from the previous fiscal year.

Table 1 provides a comparison of the net assets of the District at the end of fiscal years 2011-12 and 2010-11.

Table 1
Net Assets

	June 30, 2012	June 30, 2011	Changes
Assets			
Current and other assets	\$ 5,863,918	\$ 4,958,493	\$ 905,425
Capital assets, net of accumulated depreciation	31,744,324	31,816,522	(72,198)
Total assets	<u>\$ 37,608,242</u>	<u>\$ 36,775,015</u>	<u>\$ 833,227</u>
Liabilities			
Current liabilities	2,100,612	1,711,367	389,245
Non-current liabilities:			
Due within one year	1,836,936	1,618,159	218,777
Due in more than one year	9,780,684	11,013,322	(1,232,638)
Total liabilities	<u>\$ 13,718,232</u>	<u>\$ 14,342,848</u>	<u>\$ (624,616)</u>
Net Assets			
Invested in capital assets, net of related debt	20,455,573	19,460,728	994,845
Unrestricted	3,434,437	2,971,439	462,998
Total net assets	<u>23,890,010</u>	<u>22,432,167</u>	<u>1,457,843</u>
Total liabilities and net assets	<u>\$ 37,608,242</u>	<u>\$ 36,775,015</u>	<u>\$ 833,227</u>

Please refer to Table 1 and the financial statements for the following discussion:

The increase in total assets of \$833,227 was the net of an increase in current assets offset by a decrease in capital assets. The increase in current assets was primarily the result of favorable operating results and the decrease in capital assets was due to depreciation and disposals exceeding additions.

In analyzing the components of current assets, cash and cash equivalents increased \$614,951 due to the positive operating results produced by increased earned revenues and controlling expenses. Cash Held by Fiscal Agent for Debt Service increased by \$185,199. These are taxes collected by Richland and Lexington Counties and held by Richland County to make the scheduled GO bond payments.

Government-wide Financial Analysis (continued)

Cash Held by Fiscal Agent for Future Operations represents property tax revenues collected by Lexington County beyond the annual amount of funding approved for the District. The funds are escrowed and held by Lexington County and either applied to the next year's funding or held pending special requests from the District. The balance increased \$67,958 from the prior year.

Capital Assets, net (of depreciation), decreased due to a combination of the current year's depreciation that totaled \$1,218,921; the disposal of obsolete assets totaling \$103,518 (depreciated value); and the addition of assets totaling \$1,250,241. The additions were made up of some major construction projects, a new attraction, new software and hardware additions and some other small improvements, equipment purchases and renovations.

Current liabilities increased \$389,245 due to an increase in accounts payable that includes a due to Society of \$168,699 and an increase of \$224,685 in the OPEB obligation.

The portion of non-current liabilities due within one year increased by \$218,777, as a result of an increase in the current portion of long-term debt and compensated absences, along with the addition of new debt that funded the ropes course.

Non-current liabilities due in more than one year decreased a total of \$1,232,638 between the two fiscal years. This decrease was due to the scheduled pay down of notes and GO bonds, offset by the addition of new debt that funded the ropes course.

As mentioned in the financial highlights, total net assets increased \$1,457,843 between the two fiscal years. This increase in net assets was due to favorable operating results that will be seen in Table 2 on the following page.

Government-wide Financial Analysis (continued)

Government Activities

Table 2 provides a comparison of changes in net assets between fiscal years 2011-12 and 2010-11.

Table 2
Changes in Net Assets

	<u>June 30, 2012</u>	<u>June 30, 2011</u>	<u>Changes</u>
Revenues			
Program revenues:			
Charges for services	\$ 7,557,198	\$ 6,919,835	\$ 637,363
Operating grants and contributions	103,678	167,495	(63,817)
General Revenues			
Property taxes	4,969,434	4,966,179	3,255
Accommodations and hospitality taxes	192,294	165,000	27,294
Riverbanks Society contribution	1,389,441	1,271,747	117,694
Other revenues	28,336	50,591	(22,255)
Total Revenues	<u>14,240,381</u>	<u>13,540,847</u>	<u>699,534</u>
Program Expenses			
General government – depreciation	1,131,396	1,099,524	31,872
Administrative	1,503,257	1,194,307	308,950
Animal care	3,101,318	2,929,151	172,167
Education	452,842	522,256	(69,414)
Botanical	828,802	813,247	15,555
Facility management	788,099	771,481	16,618
Utilities	917,925	884,781	33,144
Marketing & public relations	823,510	857,164	(33,654)
Guest services	2,610,035	2,517,514	92,521
Retail concessionaire operations	44,165	60,352	(16,187)
Interest on long term debt	477,671	544,011	(66,340)
Losses on the disposal of capital assets	103,518	3,718	99,800
Total Expenses	<u>12,782,538</u>	<u>12,197,506</u>	<u>585,032</u>
Increase in net assets	<u>1,457,843</u>	<u>1,343,341</u>	<u>114,502</u>
Net assets – beginning	<u>22,432,167</u>	<u>21,088,826</u>	<u>1,343,341</u>
Net assets – ending	<u>\$ 23,890,010</u>	<u>\$ 22,432,167</u>	<u>\$ 1,457,843</u>

Please refer to Table 2 above and the financial statements for the following discussion:

Government-wide Financial Analysis (continued)

By charging admission and other user fees, the District strives to be as close to self-sufficiency as is reasonably possible. During fiscal year 2011-12 admissions revenue, commissions on retail sales, other charges for services, along with the Riverbanks Society contributions (collectively "earned revenues") amounted to \$9,050,317, or 64% of total revenues, which is up 2% from the previous fiscal year. Property taxes amounted to 35% of total revenues, which is down 2% from the previous fiscal year. Accommodations and hospitality taxes amounted to 1% of total revenues, equal to the previous year.

The increase in Charges for Services was due to increases in revenue from Admissions - \$489,873; "Rides, Feedings and Promotions" \$104,426; "Facility Rental & Group Admissions" \$46,767. Property tax collections increased overall by \$3,255, as a result of property taxes for operations decreasing \$27,488 and collections for debt service (GO bond payments) increasing \$30,743.

The total attendance was 1,029,492 for the fiscal year. Total attendance was up from the prior year 2.9%. Regular paid attendance increased 8.3%; Group attendance and School Groups & Other Free decreased 8.2%; Society visits increased 5.5%; and Complimentary & Promotional increased 14.7%. As a result of changing software, after hours and free school groups (Lexington & Richland Counties) attendances is blended in other categories.

The total Riverbanks Society support increased from the previous fiscal year by \$117,694. Society operating support remained at the same level of \$1,000,000; the debt service support decreased by \$42,638 and support for capital improvements increased by \$160,332. The decrease in debt service support was the result of a reduced interest rate from a loan modification of the Rivermont property. The Society is the guarantor on the loan for the Rivermont property purchase.

Total expenses increased 4.8% from the prior year. The largest increase came in the Administrative area and was the result of personnel changes, classification changes of some previously shared cost, and increased IT expenses. The increased expense was more than offset by the additional revenue generated during the fiscal year. There was a 4% salary increase effective January 1, 2012 and there was a modest increase in employee benefits costs.

Depreciation expense increased slightly due to the addition of capital assets for the fiscal year. Interest expense was reduced due to the reduction of GO debt. The Loss on the Disposal of Capital Assets increased due to the retirement of more obsolete assets. Utilities expense increased slightly overall with \$16,786 of the increase in electricity, sewer & water, and \$16,358 resulting from classification change of fuel usage to utilities for the last six months of the fiscal year.

Financial Analysis of Governmental Funds

As mentioned previously, the Fund Financial Statements provide information on short-term inflows, outflows, and balances of spendable resources. In general, unreserved or undesignated fund balance may serve as a useful measure of a government's net resources that are available for spending at the end of the fiscal year.

In many cases, the Governmental Funds Analysis will be the same or similar to the Government-wide Financial Analysis. However, amounts will be different due to the different focus of the two reporting methods. Please see the reconciling reports. Where explanations are generally the same, this Governmental Funds financial analysis has been abbreviated to avoid repetition.

At June 30, 2012, the District's governmental funds had a combined fund balance of \$4,300,536 which was a \$712,166 increase from June 30, 2011. The unreserved portion of fund balance was \$1,280,512. The increase in fund balance was the result of increased revenue from greater attendance and visitor spending. Total revenues were up \$699,534 from the previous year or 5.2% and expenses were up \$1,169,446 or 9.2%. Other sources of revenue included \$569,802 from prior unreserved surplus to fund capital projects and lease proceeds of \$398,974 to fund the new ropes course attraction.

The remainder of the combined fund balance was nonspendable, restricted or assigned to indicate that it was only available to spend for specific purposes. \$1,398,227 was restricted for debt service payments on GO bonds of the District. \$75,798 was nonspendable for inventory and \$213,881 was nonspendable for prepaid expenses. \$36,600 was restricted for purchases of additions to the botanical library. This amount represents the fiscal year ending value of the Phelps account – a permanently restricted endowment the sole purpose of which is to provide funding for horticultural library acquisitions. \$18,016 represents proceeds from employee break room vending sales and was assigned for employee training. \$1,200,000 was assigned as an operating cushion and \$77,502 for operating use as determined by Aramark and the District.

The purpose of the operating cushion is to provide working capital along with providing a reserve should there be an unexpected drop in attendance and related earned revenues. The Zoo and Garden's lowest attended months occur each year between September and March, thus negatively impacting earned revenue during that time. The operating cushion is used as a cash "bridge" during the time between strong earned revenue (Spring and Summer months) and the collection of property tax revenues (mid-January). The operating cushion is mandated by the Riverbanks Park Commission to be a maximum of \$1,200,000 in the General Fund.

Please refer to the *Balance Sheet – Governmental Funds*, which provides information on the four funds maintained by the District – the General Fund, the Debt Service Fund, the Capital Projects Fund, and the Special Revenue Fund. Please also refer to the *Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds* for information on the revenues and expenditures of each fund for fiscal year 2011-12.

General Fund Budgetary Highlights

The District's General Fund budget is maintained on a modified accrual basis. Expenditures are recorded when they are incurred and revenues are recognized when they are earned and available. At the end of the fiscal year any outstanding encumbrances are cancelled and budgeted in the following year. The *Budgetary Comparison Schedule for the General Fund* reports the original and final adjusted budget amounts, actual results, and the variances between actual results and the final budgeted amounts. The following analysis concerns differences between the actual revenue and expenses for fiscal year 2011-12 and the final budgeted amounts.

The visitor spending for Admissions Revenue, Rides, Shows, Promotions and Rentals and Concessions resulted in a favorable variance to the budget. Sponsorships fees related to the exclusive soft drink contract exceeded budget also due to increased visitor spending. There was a shortfall to budget for Classes and Program Fees. Revenue from Property Taxes increased from budget due to a surplus from Richland County.

All expenditure areas worked to maintain spending at the lowest level possible in anticipation of possible detrimental effects on revenue from the poor economic conditions. Those areas under budget helped to support those that had to exceed budget. Guest Services area had the largest increase over budget and was due to visitor activity driven costs.

Overall there was a favorable variance to the final budget of \$471,400 with revenue showing a favorable variance of \$516,097 or 4.4% and expenditures without transfers having an overall favorable variance of \$523,117 or 4.5%. Operating Transfers Out include \$564,663 for capital projects.

Capital Asset and Debt Administration

The District's investment in capital assets at June 30, 2012 amounted to \$31,744,324 - a decrease of \$72,198 from June 30, 2011. Current year depreciation and disposals exceeded the investment in new capital assets. Please refer to the Notes to the Financial Statements for a schedule of capital assets.

Long-term Debt

The District's long-term debt consists of GO bond issues of the District and other loans. The bond issues are backed by the full faith and credit of the taxpayers of the District, which comprises all of both Lexington and Richland Counties. As previously mentioned, the Lexington and Richland County auditors and treasurers handle the tax collections related to the GO bonds. The Richland County Treasurer is the fiscal agent for the District in these transactions. Please refer to Table 3 below.

The District's total long-term debt at June 30, 2012 was \$11,617,620 – a decrease of \$1,013,860 from June 30, 2011. The decrease is the result of scheduled payments of long term debt offset by the new debt for the ropes course and an increase in the liability for compensated absences.

At year-end there were two outstanding GO bond issues – the 1998 and the 2008 issues. Two separate issues in 1998 and 1999 funded the recent renovations and additions known as Zoo2002 which included the new birdhouse, elephant exhibit, entrance plaza, garden ticket booth, garden entrance road, gorilla exhibit, koala exhibit and the Ndoki Lodge. The 2008 issue refunded the 1999 issue for the purpose of decreasing interest cost.

The loan for the Rivermont acquisition is a note to a financial institution for the purpose of purchasing two properties – 350 and 420 Rivermont Drive – which are adjacent to the District's property. The loan for the ropes course is a note to a financial institution for the purpose of financing a new ride. The telephone system loan is also a note to a financial institution for the purpose of financing a new telephone system. Please see the Notes to the Financial Statements for additional information on the notes payable.

Compensated Absences represent the liability for accumulated vacation pay that has been earned by the District's employees. Employees are allowed to accumulate up to forty-five days of vacation which, if not used, can be paid upon termination of employment.

Table 3
Long-term Liabilities

	<u>June 30, 2012</u>	<u>June 30, 2011</u>	<u>Changes</u>
General obligation bond issues	\$ 8,795,000	\$ 10,125,000	\$ (1,330,000)
Loan for the Rivermont Acquisition	2,114,164	2,208,884	(94,720)
Loan – Ropes Course	365,688	-	365,688
Loan – Telephone System Replacement	13,899	21,910	(8,011)
Compensated absences	<u>328,870</u>	<u>275,687</u>	<u>53,183</u>
Totals	<u>\$ 11,617,621</u>	<u>\$ 12,631,481</u>	<u>\$ (1,013,860)</u>

Economic Factors and Next Year's Budget and Rates

As noted before the District's earned revenues represent the majority of its total revenue – 65%, where public support through property taxes and other taxes represents 35% of total revenue. Attendance at the Zoo and Garden along with annual membership sales in the Riverbanks Society are the prime components of earned revenue and the most significant factors in the District's economic wellbeing.

Attendance for fiscal year 2011-12 was 1,029,492, including after hours attendance. Starting with the 2009-10 year after hour's attendance was tracked, with some estimation required. The after hours attendance includes attendance at after-hours events, overnight camps and others that are not recorded at the "admission gate". As a result of moving to new software during the fiscal year, this attendance is blended within other categories and no longer separately identified.

Admissions prices were last increased on July 1, 2010 with relatively no effect on attendance. No further increases are planned at this time. Visitor studies prior to the increase indicated that the Zoo and Garden would remain a good value with the increase. There has been no indication of price resistance since the increase and, as mentioned, attendance has remained steady.

Annual memberships in the Riverbanks Society totaled 33,570 at June 30, 2012. This number is up from the 2010-11 memberships of 33,141. Membership levels tend to increase and peak with the opening of new attractions and then decline during the period where there are no new attractions added. The same pattern also occurs with attendance levels; however, attendance is subject to more variables and tends to be more dynamic.

During the 2011-12 year the District opened a new ropes course attraction. Prior to this addition, it had been nine years since a major new exhibit or attraction. There are plans in place to add new attractions as well as make extensive renovations to existing facilities with funding from a \$32 million bond. See Note 13 for further detail.

The District's funding from Lexington and Richland Counties has increased because of increases in the value of a mill resulting from the growth in total property value in both Counties; however, Richland County reduced our initial funding request last year by almost \$80,000 due to anticipated reduction in collections of property taxes. Richland County's actual collections made up \$40,632 of the shortfall and were paid to the District. Lexington County collected \$67,958 in excess of the approved budget. This excess is escrowed and held by Lexington County and either applies to the next year's funding or pending special requests from the District. Both counties could be adversely impacted by the funding deficit facing the State of South Carolina for fiscal year 2012-13 in that the state aid to counties could be cut in the effort to balance the State's budget. As it stands to date, we have not received notice of a reduction in the District's millage by either county.

Given the continued economic situation coupled with the financial situation in State government, the District, in developing its 2012-13 budget, is projecting earned revenues and expenditures at current levels with no provision for growth – a status quo budget. This is mainly due to the unknown status of the bond issue at the time of creating the initial budget.

Requests for Information

This financial report is designed to provide a general overview of the District's finances. Questions concerning any information provided in this report or requests for additional information should be addressed to the Finance Director, Riverbanks Zoo and Garden, P.O. Box 1060, Columbia, SC 29202-1060.

BASIC FINANCIAL STATEMENTS

Richland-Lexington Riverbanks Park District
Statement of Net Assets
June 30, 2012

	Governmental Activities	Component Unit - Riverbanks Society
Current Assets		
Cash and Cash Equivalents	\$ 3,143,999	\$ 1,349,597
Cash Held by Fiscal Agent for Debt Service	1,398,227	-
Cash Held by Fiscal Agent for Future Operations	697,572	-
Receivables	295,036	169,868
Unconditional Promises to Give - Restricted	-	4,667
Prepaid Expense	213,881	13,291
Inventory	75,798	-
Unamortized Bond Costs	39,405	-
Total Current Assets	<u>5,863,918</u>	<u>1,537,423</u>
Noncurrent Assets		
Capital Assets	49,250,392	122,702
Less: Accumulated Depreciation	(17,506,068)	(102,252)
Total Capital Assets	31,744,324	20,450
Long-term Unconditional Promises to Give - Restricted	-	1,667
Total Noncurrent Assets	<u>31,744,324</u>	<u>22,117</u>
Total Assets	<u>\$ 37,608,242</u>	<u>\$ 1,559,540</u>
Current Liabilities		
Accounts Payable	528,043	3,742
Accrued Salaries	138,396	4,044
Accrued Admissions and Use Taxes Payable	22,468	-
Retirement Contributions Payable	7,358	-
Accrued Interest Payable	114,336	-
Deferred Revenue	827,712	4,500
Accrued Net OPEB Obligation	462,299	-
Current Portion Compensated Absences-Accrued Vacation Leave Payable	201,953	2,548
Current Portion of Long-Term Debt	1,634,983	-
Total Current Liabilities	<u>3,937,548</u>	<u>14,834</u>
Noncurrent Liabilities		
Compensated Absences - Accrued Vacation Leave Payable	126,916	3,446
General Obligation Bonds Payable	7,305,000	-
Notes Payable	2,348,768	-
Total Noncurrent Liabilities	<u>9,780,684</u>	<u>3,446</u>
Total Liabilities	<u>13,718,232</u>	<u>18,280</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	20,455,573	-
Restricted Donations - Purpose Not Yet Satisfied	-	24,885
Unrestricted	3,434,437	1,516,375
Total Net Assets	23,890,010	1,541,260
Total Liabilities and Net Assets	<u>\$ 37,608,242</u>	<u>\$ 1,559,540</u>

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

Richland-Lexington Riverbanks Park District
Statement of Activities
For the Year Ended June 30, 2012

Function/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Component Unit
				Governmental Activities	Riverbanks Society	
Governmental Activities						
General Government Depreciation	\$ 1,131,396	\$ -	\$ -	(1,131,396)	\$ -	-
Administrative	1,503,257	-	4,625	(1,498,632)	-	-
Animal Care	3,101,318	-	4,678	(3,096,640)	-	-
Education	452,842	348,480	10,282	(94,080)	-	-
Botanical	828,802	-	6,915	(821,887)	-	-
Facility Management	788,099	-	-	(788,099)	-	-
Utilities	917,925	-	-	(917,925)	-	-
Marketing and Public Relations	823,510	331,319	24,570	(467,621)	-	-
Guest Services	2,610,035	5,896,971	10,000	3,296,936	-	-
Retail Concessionaire Operations	44,165	980,428	42,608	978,871	-	-
Interest on Long-Term Debt	477,671	-	-	(477,671)	-	-
Loss on Disposal of Capital Assets	103,518	-	-	(103,518)	-	-
Total Governmental Activities	\$ 12,782,538	\$ 7,557,198	\$ 103,678	(5,121,662)		-
Component Unit:						
Riverbanks Society	\$ 2,714,972	-	-	-	(2,714,972)	
Total Component Unit	\$ 2,714,972	-	-	-	(2,714,972)	
General Revenues						
Property Taxes				4,969,434	-	-
Accommodations and Hospitality Taxes				192,294	-	-
Riverbanks Society Contribution				1,389,441	-	-
Membership Fees				-	2,646,993	
Contributions				-	302,662	
Investment Earnings				9,699	3,993	
Miscellaneous Revenues				18,637	3,200	
Total General Revenues				6,579,505	2,956,848	
Change in Net Assets				1,457,843	241,876	
Net Assets, Beginning of Year				22,432,167	1,299,384	
Net Assets, End of Year				\$ 23,890,010	\$ 1,541,260	

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

Richland-Lexington Riverbanks Park District
Balance Sheet -
Governmental Funds
June 30, 2012

	Major Funds			Non-Major Fund	Total Governmental Funds
	General Fund	Debt Service	Capital Projects	Special Revenue	
Assets					
Cash and Cash Equivalents	\$ 3,083,048	\$ -	\$ -	\$ 60,951	\$ 3,143,999
Cash Held by Fiscal Agent for Debt Service	-	1,398,227	-	-	1,398,227
Cash Held by Fiscal Agent for Future Operations	697,572	-	-	-	697,572
Receivables	288,342	-	-	6,694	295,036
Prepaid Expense	213,881	-	-	-	213,881
Inventory	75,798	-	-	-	75,798
Due From Other Funds	-	-	-	9,857	9,857
Total Assets	\$ 4,358,641	\$ 1,398,227	\$ -	\$ 77,502	\$ 5,834,370
Liabilities and Fund Balance					
Accounts Payable	528,043	-	-	-	528,043
Accrued Salaries and Payroll Taxes	138,396	-	-	-	138,396
Accrued Admissions and Use Taxes Payable	22,468	-	-	-	22,468
Retirement Contributions Payable	7,358	-	-	-	7,358
Deferred Revenue	827,712	-	-	-	827,712
Due To Other Funds	9,857	-	-	-	9,857
Total Liabilities	1,533,834	-	-	-	1,533,834
Fund Balances					
Nonspendable:					
Inventory	75,798	-	-	-	75,798
Prepaid Expense	213,881	-	-	-	213,881
Restricted:					
Debt Service	-	1,398,227	-	-	1,398,227
Botanical Library Acquisitions	36,600	-	-	-	36,600
Assigned:					
Operations	1,200,000	-	-	77,502	1,277,502
Employee Scholarship Fund	18,016	-	-	-	18,016
Unreserved/Undesignated Fund Balance	1,280,512	-	-	-	1,280,512
Total Fund Balances	2,824,807	1,398,227	-	77,502	4,300,536
Total Liabilities and Fund Balances	\$ 4,358,641	\$ 1,398,227	\$ -	\$ 77,502	\$ 5,834,370

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

Richland-Lexington Riverbanks Park District
Reconciliation of Governmental Funds Balance Sheet
with the Statement of Net Assets
June 30, 2012

Total Fund Balances - Governmental Funds		\$ 4,300,536
Amounts Reported for Governmental Activities in the Statement on Net Assets are Different Because of the Following:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds:		
Capital Assets	\$ 49,250,392	
Accumulated Depreciation	<u>(17,506,068)</u>	31,744,324
Unamortized portion of bond issuance costs are shown in the Statement of Net Assets and not in Governmental Funds statements		
		39,405
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
Bonds Payable	(8,795,000)	
Accrued Interest on Long-Term Debt	(114,336)	
Accrued Net OPEB Obligation	(462,299)	
Compensated Absences	(328,869)	
Notes Payable	<u>(2,493,751)</u>	<u>(12,194,255)</u>
Total Net Assets - Governmental Activities		<u>\$ 23,890,010</u>

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

Richland-Lexington Riverbanks Park District
Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
For the Year Ended June 30, 2012

	Major Funds			Non-Major Fund	Total Governmental Funds
	General Fund	Debt Service	Capital Projects	Special Revenue	
Revenues					
Property Taxes	\$ 3,090,318	\$ 1,879,116	\$ -	\$ -	\$ 4,969,434
Accommodations & Hospitality Taxes	192,294	-	-	-	192,294
General Admission Fees	3,944,390	-	-	-	3,944,390
Concessionaire Commissions on Sales	980,428	-	-	-	980,428
Concessionaire Upkeep Contribution	-	-	-	42,608	42,608
Riverbanks Society Contributions	1,217,925	-	171,516	-	1,389,441
Classes and Program Fees	348,480	-	-	-	348,480
Rides, Shows, Promotions and Rentals	1,952,581	-	-	-	1,952,581
Facility Rental & Group Admission Fees	282,449	-	-	-	282,449
Sponsorships	48,870	-	-	-	48,870
Non-Federal Grants and Donations	46,070	-	15,000	-	61,070
Interest Revenue	5,565	3,942	-	192	9,699
Miscellaneous Revenues	18,637	-	-	-	18,637
Total Revenues	12,128,007	1,883,058	186,516	42,800	14,240,381
Expenditures					
Current					
Administrative	1,432,282	539	3,358	-	1,436,179
Animal Care	2,962,067	-	-	-	2,962,067
Education	150,746	-	-	-	150,746
Botanical	831,526	-	-	-	831,526
Facility Management	784,920	-	-	12,503	797,423
Utilities	917,925	-	-	-	917,925
Marketing and Public Relations	809,959	-	1,174	-	811,133
Guest Services	1,554,472	-	-	-	1,554,472
Rides, Shows, Promotions and Rentals	949,847	-	-	-	949,847
Classes and Programs	302,873	-	-	-	302,873
Debt Service					
Principal	136,017	1,330,000	-	-	1,466,017
Interest	129,420	367,320	-	-	496,740
Capital Outlay					
Land, Building, Equipment & Improvements	82,713	-	692,001	59,727	834,441
Rides, Shows and Promotions	4,568	-	411,232	-	415,800
Total Expenditures	11,049,335	1,697,859	1,107,765	72,230	13,927,189
Excess of Revenues Over (Under) Expenditures	1,078,672	185,199	(921,249)	(29,430)	313,192
Other Financing Sources (Uses)					
Lease Proceeds	-	-	398,974	-	398,974
Transfers In	-	-	569,802	42,608	612,410
Transfers Out	(607,272)	-	-	(5,138)	(612,410)
Total Other Financing Sources (Uses)	(607,272)	-	968,776	37,470	398,974
Net Change in Fund Balances	471,400	185,199	47,527	8,040	712,166
Fund Balance (Deficit), Beginning of Year	2,353,407	1,213,028	(47,527)	69,462	3,588,370
Fund Balance, End of Year	\$ 2,824,807	\$ 1,398,227	\$ -	\$ 77,502	\$ 4,300,536

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

Richland-Lexington Riverbanks Park District
Reconciliation of Governmental Funds Statement of Revenues, Expenditures
and Changes in Fund Balances with the District-Wide Statement of Activities
For the Year Ended June 30, 2012

Total net change in fund balances - governmental funds **\$ 712,166**

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated lives and reported as depreciation expense.

Capital outlays	\$ 1,250,241	
Depreciation expense	<u>(1,218,921)</u>	31,320

Governmental funds report bond issuance costs as expenditures. However in the statement of activities this cost is allocated over the life of the bond issue. (4,305)

Governmental funds report bond issuance costs as expenditures. These costs were incurred for a new bond to be issued during the 2012/2013 year. 13,936

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported.

Loss on disposal of assets		(103,518)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.

Neither transaction, however, has any effect on net assets.

Payment of long-term debt	1,466,017	
Issuance of long-term debt	<u>(398,974)</u>	1,067,043

Some expenses reported in the statement of activities do not require the use of current resources and, therefore, are not reported as expenditures in governmental funds.

Accrual of interest at year end	(114,336)	
Less amount of prior year accrual	133,405	
Accrual of Net OPEB obligation	(224,685)	
Increase in compensated absence accrual	<u>(53,183)</u>	(258,799)

Total change in net assets - governmental activities **\$ 1,457,843**

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

Richland-Lexington Riverbanks Parks District
Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies

The Richland-Lexington Riverbanks Park District (the "District") was created under the provisions of Act No. 323 of the 1969 Acts and Joint Resolutions of the General Assembly of the State of South Carolina (sections 51-61 to 51-64), as amended by Act No. 365 of 1969. The District was created to provide recreational facilities, specifically a zoological park, for the citizens of South Carolina. Over one-third of total revenue for the District is received from Richland and Lexington counties. The District is governed by the Riverbanks Park Commission (the "Commission"). The Commission is comprised of seven members. Two members are appointed by Richland County Council, two by Lexington County Council, two by the Mayor and Council of the City of Columbia, and one by all three groups. The Commissioners serve for six years.

The Commission appoints an Executive Director who serves as Chief Administrative Officer of the District. The Executive Director administers the daily operations of the District through appointed department heads.

The basic financial statements of the Richland-Lexington Riverbanks Park District are prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). The District's reporting entity applies all relevant Governmental Accounting Standards Board ("GASB") pronouncements.

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this note. The remainder of the notes is organized to provide explanations, including required disclosures, of the District's financial activities for the fiscal year ended June 30, 2012.

Financial Reporting Entity - The District's financial reporting entity is comprised of the following:

Primary government: The Richland-Lexington Riverbanks Park District

Discretely Presented Component Unit: The Riverbanks Society

In determining the financial reporting entity, the District complies with the provisions of GASB No. 14, *The Financial Reporting Entity*. This provision establishes the criteria for determining what makes up the financial reporting entity. Additional guidance to determine whether certain organizations are component units, based on the nature and significance of their relationship with the primary government, is found in GASB No. 39, *Determining Whether Certain Organizations are Component Units*.

The Riverbanks Society (the "Society") is a legally separate, tax-exempt component unit set up to provide financial support primarily through donor contributions for the District and its activities. The eighteen member board of the Society is self-perpetuating. The District controls the timing and amount of receipts from the Society. The majority of resources and income thereon that the Society holds and invests are restricted to the activities of the District by the donors. Because these restricted resources held by the Society can only be used by, or for the benefit of, the District, the Society is considered a component unit of the District and is discretely presented in the District's financial statements. Separately issued audited financial statements for the Society may be obtained from the Finance Director, Administrative Office of Riverbanks Zoo and Garden, at 500 Wildlife Parkway, Columbia, SC 29210.

Richland-Lexington Riverbanks Parks District
Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

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

The District reports under the provisions of Statement No. 34 ("GASB 34") of the GASB, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. GASB 34 established standards for external financial reporting for all state and local governmental entities, which includes a statement of net assets, a classification of net assets into three components – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. These classifications are defined as follows:

Invested in capital assets, net of related debt – This component of net assets consists of capital assets, net of accumulated depreciation, costs to be recovered from future revenues, and unamortized debt expense reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net assets component as the unspent proceeds.

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

Unrestricted net assets – This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

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

Fund financial statements are also provided in the report for all of the governmental funds of the District.

The District reports the General Fund, Debt Service Fund, and Capital Projects Fund as major governmental funds. The General Fund is the main operating fund of the District and is used to account for all financial resources except for those required to be accounted for in another fund. The Debt Service Fund accounts for the accumulation of financial resources for the payment of interest and principal on general long-term debt of the District. The Capital Projects Fund is used to account for financial resources used for the acquisition or construction of major capital facilities and equipment. The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally or donor restricted expenditures for specified purposes.

Richland-Lexington Riverbanks Parks District
Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

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

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

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

Budgetary Control - The Commission adopts an annual budget for the General Fund at the beginning of each fiscal year. The Executive Director is authorized to transfer budgeted amounts between departments, with the approval of the Commission. Any revisions that alter the total expenditures must be approved by the Commission.

The Budgetary Comparison Schedule for General Fund presents a comparison of budgetary data to actual results of operations for which annual operating budgets are legally adopted. This fund utilizes the same basis of accounting for both budgetary purposes and actual results. Capital Projects Funds are budgeted over the life of the project and not on an annual basis.

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

Richland-Lexington Riverbanks Parks District
Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

Cash Held by Fiscal Agent - The District reports funds collected for the District by Richland and Lexington Counties for both operating and debt service purposes.

The District receives operating support from both Richland and Lexington counties in the form of an annual fixed-dollar appropriation. Both Counties fund the support by levying a millage that is expected to produce the required amount of funding. If the millage produces more than is appropriated, the excess funds are escrowed. It has been Richland County's practice to take into account any escrowed amounts in setting the millage in subsequent years which results in a relatively small amount being carried forward from year-to-year. However, Lexington County has allowed the escrowed funds to accumulate over the years to a significant amount. At June 30, 2012 the escrowed funds collected from the operating millage totaled \$697,572, which was all held by Lexington County. The District would have to seek approval through a budget ordinance by the County to receive these funds.

Both Richland and Lexington Counties also levy a millage to produce funds to pay the general obligation debt of the District. The Richland County Treasurer is the fiscal agent for each of the District's bonds and is responsible for management of funds from both Counties collected from the debt service millage and the payment of bonds. The amount held by the fiscal agent for debt service varies with the bond amortization amounts and timing of payments and the amounts collected by each County. The amount on hand at June 30, 2012 was \$1,398,227.

Supplies Inventories - Supplies inventories consists of gasoline, animal feed, plants for resale, and general supplies used in the day-to-day operation of the zoo and garden. The quantity used is expensed and the remaining inventories at the balance sheet date are recorded as assets at the lower of cost or market.

Prepaid Expenses - Prepaid expenses consist of premiums which have been paid in advance for periods after year-end, for general insurance - property, liability and automobile. Also included is the movie rental fee paid in advance for the 3D Theater for periods beyond year-end.

Capital Assets - Capital assets, which include property and equipment, are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost equal to or more than \$3,000 and an estimated useful life in excess of one year. In addition, capital assets purchased with long-term debt may be capitalized regardless of the thresholds established. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Richland-Lexington Riverbanks Parks District
Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

Capital Assets (continued)

All reported capital assets, with the exception of land, are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	10-30
Exhibits	10-30
Furniture and fixtures	5-7
Equipment	3-7
Vehicles	5
Technology equipment	3-5
Capitalized software	3

Due To/From Other Funds - Short-term amounts owed between funds are classified in this category.

Compensated Absences - The District's policy allows employees to accumulate unused vacation leave to a maximum of 360 hours. Upon termination, any accumulated vacation leave will be paid to the employee. There will be no payment for unused sick leave. Accordingly, sick pay is charged to expenditures when taken.

Fund Balance

Unreserved and undesignated fund balance represents those portions of fund balance not appropriated for expenditure or legally segregated for a specific future use. The first \$1,200,000 of unrestricted and undesignated fund balance is designated by the Board of Commissioners for operations.

The GASB has issued Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2010. The District implemented the provisions of this statement during the year ended June 30, 2011. The following categories of fund balance are now being used in the fund level financial statement of the governmental fund:

Nonspendable Fund Balance - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

Restricted Fund Balance - The restricted fund balance classification includes amounts that are either restricted externally by creditors, grantors, contributors, or laws or regulations of other governments or restricted by law through constitutional provisions or enabling legislation.

Richland-Lexington Riverbanks Parks District
Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

Fund Balance (continued)

Committed Fund Balance – The committed fund balance classification includes amounts that can only be used for specific purposes to constraints imposed by formal action of the District's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the District removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed fund balances also incorporate contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The District recognizes committed fund balances that have been approved for specific purposes by the District Commission before the fiscal year end.

Assigned Fund Balance – The assigned fund balance classification includes amounts that are constrained by the District's intent to be used for specific purposes but are not restricted or committed. The authority for making an assignment is not required to be the District's highest level of decision-making authority and as such, the nature of the actions necessary to remove or modify an assignment does not require the District's highest level of authority. Assigned fund balance amounts in the District's financial statements represent amounts approved by the District Commission for operations and the employee scholarship fund. In the special revenue fund, assigned fund balances represent amounts to be spent for specific purposes.

Unassigned Fund Balance – The unassigned fund balance classification includes amounts that have not been assigned to other funds and has not been restricted, committed, or assigned for specific purposes within the general fund.

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

Note 2. Property Taxes

Property taxes used to finance the District's operations are levied and collected by Richland and Lexington counties under the direction of their respective Councils. The District considers funds received from both counties within 30 days after fiscal year end as revenue.

Note 3. Cash and Cash Equivalents

Custodial credit risk is the risk incurred in the event of a bank failure where the District's deposits may not be returned. The District's cash and cash equivalents consist of demand deposits, investments overseen by South Carolina State Treasurer's Office and cash on hand. The District is authorized by South Carolina state law to invest in the following types of investments:

1. Obligations of the United States and agencies thereof;
2. General obligations of the State of South Carolina or any of its political units;
3. Certificates of deposit where the certificates are collaterally secured by securities of the type described in (1) and (2) above held by a third party as escrow or custodian of a market value not less than the amount of the certificates of deposit so secured in the name of the District, including interest.

Richland-Lexington Riverbanks Parks District
Notes to the Basic Financial Statements

Note 3. Cash and Cash Equivalents (continued)

As of June 30, 2012, the carrying amount of the District's cash and cash equivalents was approximately \$3,143,999. The District had \$21,280 cash on hand, approximately \$2,455,564 invested with the South Carolina Local Government Investment Pool (the "Pool"), and approximately \$667,155 on deposit with financial institutions. The Pool is under the regulatory oversight of the South Carolina State Treasurer's Office and the fair market value of the District's funds in the Pool is the same as the value of the Pool shares as allocated to the District.

The District places no limit on the amount the District may invest in any one issuer. More than 78% of the District's cash and cash equivalents are with the South Carolina Local Government Investment Pool. These investments are reported in the District's General Fund and Special Revenue Fund.

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The District does not maintain deposits that are denominated in a currency other than the United States dollar; therefore, the District is not exposed to this risk.

Note 4. Receivables

Receivables consisted of the following at June 30, 2012:

Intergovernmental	\$ 61,667
Other	<u>233,369</u>
Total	<u>\$ 295,036</u>

Receivables are stated at full value with no allowance for doubtful accounts. Management is of the opinion that all the receivables are collectible and no allowance is needed at this time.

Richland-Lexington Riverbanks Parks District
Notes to the Basic Financial Statements

Note 5. Capital Assets

Capital asset activity for the year ended June 30, 2012, was as follows:

Governmental activities	Beginning Balance	Additions	Retirements/ Transfers	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 2,049,725	\$ —	\$ —	\$ 2,049,725
Zoological Collection	1	—	—	1
Construction in progress	190,805	10,343	(104,124)	97,024
Total capital assets, not being depreciated	<u>2,240,531</u>	<u>10,343</u>	<u>(104,124)</u>	<u>2,146,750</u>
Capital assets, being depreciated:				
Buildings	24,950,340	766,032	(155,343)	25,561,029
Improvements	17,625,402	180,519	(23,922)	17,781,999
Equipment	3,551,107	397,471	(187,964)	3,760,614
Total capital assets, being depreciated:	<u>46,126,849</u>	<u>1,344,022</u>	<u>(367,229)</u>	<u>47,103,642</u>
Less: Accumulated Depreciation	<u>16,550,858</u>	<u>1,218,921</u>	<u>(263,711)</u>	<u>17,506,068</u>
Total capital assets, being depreciated, net	<u>29,575,991</u>	<u>125,101</u>	<u>(103,518)</u>	<u>29,597,574</u>
Governmental activities capital assets, net	<u>\$ 31,816,522</u>	<u>\$ 135,444</u>	<u>\$ (207,642)</u>	<u>\$ 31,744,324</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 1,131,396
Retail Concessionaire Operations	31,662
Rides, Shows and Feedings	55,863
	<u>\$ 1,218,921</u>

Richland-Lexington Riverbanks Parks District
Notes to the Basic Financial Statements

Note 6. Retirement Plan

Substantially all employees of the District are covered by a retirement plan through the South Carolina Retirement System ("SCRS"), a cost-sharing multiple-employer defined benefit public employee retirement system. This plan provides annuity benefits as well as disability benefits, life insurance benefits, and survivor benefits to plan members and beneficiaries.

Plan benefits are established by South Carolina State law. The SCRS was established, pursuant to the provisions of Title 9 of the South Carolina Code of Laws for the purpose of providing retirement and disability benefits, annual cost-of-living adjustments on an ad-hoc basis, life insurance benefits and survivor benefits to plan members and beneficiaries. Title 9 assigns authority to the State Budget and Control Board to manage the system.

The employer contribution is 9.385%. The District's actual contributions to the system for the fiscal years ending 2010, 2011 and 2012 were approximately \$403,504, \$427,854 and \$448,558, respectively. Contributions made were equal to 100% of the required contributions for each year. As of July 1, 2012 the employer contribution rate is 10.45%.

A Comprehensive Annual Financial Report containing financial statements and required supplementary information for the SCRS is issued and publicly available by writing the South Carolina Retirement System, P. O. Box 11960, Columbia, SC 29211-1960.

Note 7. Long-Term Debt

General Obligation Bonds

The District issues General Obligation Bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District.

The sale of bonds, investment of bonds proceeds, investment of the Debt Service Funds and the repayment of the bonds are handled by the Richland County Treasurer as required by the bond ordinances.

General Obligation Bonds Payable at June 30, 2012, was as follows:

\$5,000,000 General Obligation Bonds issued in 1998 due in annual series installments through 2014, with interest rates ranging from 6.0% in 1999 to 4.0% in 2014.	\$ 1,625,000
\$9,020,000 General Obligation Bonds issued in 2008 due in annual series installments through 2018, with an interest rate of 3.2% for the term of the bond.	<u>7,170,000</u>
Total	<u>\$ 8,795,000</u>

Richland-Lexington Riverbanks Parks District
Notes to the Basic Financial Statements

Note 7. Long-Term Debt (Continued)

The annual aggregate maturities for the General Obligation bonds for the years subsequent to June 30, 2012, are as follows:

Year ending June 30,	Principal	Interest	Total
2013	\$ 1,490,000	\$ 317,384	\$ 1,807,384
2014	1,680,000	261,456	1,941,456
2015	1,340,000	198,000	1,538,000
2016	1,335,000	150,832	1,485,832
2017	1,455,000	103,840	1,558,840
2018	1,495,000	52,624	1,547,624
	<u>\$ 8,795,000</u>	<u>\$ 1,084,136</u>	<u>\$ 9,879,136</u>

Notes Payable

From time to time, the District borrows additional funds to finance improvements to its facilities. At June 30, 2012, the District was obligated under the following installment notes.

Note payable to a financial institution in annual installments of \$259,819 including interest at a fixed rate equal to 5.00%*. The note matures in 2016. \$ 2,114,164

Note payable to a financial institution in annual installments of \$4,093 including interest at a fixed rate equal to 4.09%. The note matures in 2021. 365,688

Note payable to a financial institution in annual installments of \$9,311 including interest at a fixed rate equal to 7%. The note matures in 2014. 13,899
\$ 2,493,751

The note payable to a financial institution listed above contains certain restrictive financial and other debt covenants. *The interest rate for this note was re-negotiated in 2011 resulting in a 5.00% rate compared to the re-negotiated rate of 6.32% in 2008 and the original rate of 7.75%. The total monthly payment was reduced by \$4,417 monthly.

Annual requirements to amortize notes payable outstanding as of June 30, 2012, are as follows:

Year ending June 30,	Principal	Interest	Total
2013	\$ 144,983	\$ 120,258	\$ 265,241
2014	148,411	112,954	261,365
2014	150,172	105,761	255,933
2015	157,342	98,581	255,923
2016	1,713,910	36,693	1,750,603
2017-21	178,933	16,721	195,654
	<u>\$ 2,493,751</u>	<u>\$ 490,968</u>	<u>\$ 2,984,719</u>

Richland-Lexington Riverbanks Parks District
Notes to the Basic Financial Statements

Note 7. Long-Term Debt (continued)

During the fiscal year ended June 30, 2012, the following changes occurred in the District's long-term liabilities:

Description	Balance June 30, 2011	Additions	Payments and Transfers	Balance June 30, 2012	Amount Due in 2013
General Obligation Bond of 1998	\$ 2,275,000	\$ —	\$ 650,000	\$ 1,625,000	\$ 725,000
General Obligation Bond of 2008	7,850,000	—	680,000	7,170,000	765,000
Note Payable – 2007	2,208,884	—	94,720	2,114,164	101,962
Note Payable – Ropes Course	—	398,974	33,286	365,688	34,421
Note Payable – Phone System	21,910	—	8,011	13,899	8,600
Compensated Absences	275,687	53,183	—	328,870	201,953
Totals	<u>\$ 12,631,481</u>	<u>\$ 452,157</u>	<u>\$ 1,466,017</u>	<u>\$ 11,617,621</u>	<u>\$ 1,836,936</u>

Note 8. Other Post-Employment Benefits

From an accrual perspective, the cost of other post-employment healthcare benefits (OPEB), like the cost of pension benefits, generally should be associated with the periods in which that cost occurs. In adopting GASB Statement 45 during the year ended June 30, 2009, prospectively, the District recognized the ARC (Annual Required Contribution) associated with OPEB as an expense and the liability associated with the (NOO) net OPEB obligations. The ARC consists of the cost of benefits accruing in a year plus an amount calculated to amortize any unfunded actuarial accrued liability over a period of thirty years.

Plan Description

The District employees participate in the State of South Carolina Employee Health Plan. To qualify for the Employee Health Plan, the employee must be considered full time. The District employees also participate in the South Carolina Retirement System (SCRS) defined benefit retirement plan. Any employee retiring under the provisions of SCRS may elect to continue their health insurance coverage after retirement. Survivors of deceased employees (spouses and dependants) may also continue their coverage.

The retired employee must pay 100% of the health insurance premium unless the employee retires with at least twenty years of service to the District. All service used to determine eligibility must have been performed for the District. Service with other governmental entities, although acceptable for retirement under SCRS, cannot not count in determining if the District contributes to the health insurance cost.

Richland-Lexington Riverbanks Parks District
Notes to the Basic Financial Statements

Note 8. Other Post-Employment Benefits (continued)

For employees retiring with twenty years but less than twenty four years of service to the District, the District pays 50% of the “employer premium for the subscriber only” as defined in the rate schedules that are set and modified from time to time by the State of South Carolina Budget and Control Board and administered by the State Office of Insurance Services. For employees retiring with at least twenty four years of service but less than twenty eight years to the District, the District pays 75% of the “employer premium for the subscriber only”. For employees who retire with a length of service to the District of at least twenty eight years, the District pays 100% of the “employer premium for the subscriber only”.

The District currently has 223 budgeted positions and 110 are qualified for the Employee Health Plan. The remaining employees are part-time or seasonal employees and that do not meet the qualification criteria for the health insurance coverage.

Funding Policy

The District currently pays for post-employment benefits on a pay-as-you-go basis. The District had nine retirees eligible for OPEB as of June 30, 2012. Contributions for fiscal year 2010-11 were \$21,984 and contributions for fiscal year 2011-12 were \$33,204. The District is currently studying various funding alternatives and/or modifications to the existing plan. These financial statements assume that a pay-as-you-go funding policy will continue in the immediate future.

Annual OPEB costs and Net OPEB Obligation

The District had an actuarial valuation performed for the plan as of June 30, 2012 to determine the funded status of the plan as of that date as well as the employer’s annual required contribution (ARC) for the fiscal year ended June 30, 2012. The District’s annual OPEB costs and the net OPEB obligation for the year ended June 30, 2012 is as follows:

Employer Normal Cost	\$ 150,795
Amortization of UAAL*	106,669
Annual Required Contribution (ARC)	<u>257,464</u>
ARC Adjustment	(9,080)
Interest on Net Obligation	<u>9,505</u>
Annual OPEB Cost – Current Year	257,889
Contributions made	(33,204)
Beginning Balance	<u>237,614</u>
Net OPEB Obligation end of year	<u>\$ 462,299</u>

*Unfunded Actuarial Accrued Liabilities (UAAL) are being amortized over 30 years.

Richland-Lexington Riverbanks Parks District
Notes to the Basic Financial Statements

Note 8. Other Post-Employment Benefits (continued)

Funded status and Funding Progress of the plan as of the last actuarial valuation on June 30, 2012 was as follows:

Actuarial Accrued Liability:	
Retirees & Beneficiaries	\$ 942,924
Active Members Fully Eligible for Benefits	325,667
Active Members Not Fully Eligible for Benefits	1,522,887
Total Actuarial Accrued Benefits	<u>\$ 2,791,478</u>
Actuarial Value of Assets	\$ —
Unfunded Actuarial Accrued Liabilities	\$ 2,791,478
Funded Ratio	\$ —
Covered payroll (active plan members)	\$ 3,844,341
UAAL as a percentage of covered payroll	72.6%

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events well into the future. Examples would include assumptions about future employment, rates of retirement, mortality, and health care cost trends. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. For the purpose of determining the Net OPEB Obligation, the portion of the annual OPEB contributions for medical and prescription drug costs that are determined on a combined basis for active employees and retirees were increased by \$10,000 to include the impact of the 50% implicit subsidy.

In the June 30, 2012, actuarial valuation, the projected unit credit cost method was used. The UAAL amortization payment is the level percent of payroll (assumed to increase 3%) required to fully amortize the UAAL over a 30 year period. The actuarial assumptions included 4.0% rate of investment return. The valuation assumes a pre-65 health care trend inflation rate of 9.5% the first three years, dropping 0.5% for the following two years to reach an ultimate rate of 5.0% in 2018. Similarly the valuation assumes a post-65 health care trend inflation rate of 7.5%, dropping 0.5% in each future year until reaching an ultimate rate of 5.0% in 2017. General inflation is assumed to be 3.0% per year. There is no trust fund established so no separate audit report is available.

Richland-Lexington Riverbanks Parks District
Notes to the Basic Financial Statements

Note 9. Operating Leases

The District leases the majority of its land from SCANA Corporation at \$1 per year under a 99-year lease which expires in March 2068. Thereafter, the lease will be year-to-year until terminated by either party upon six months written notice.

Note 10. Riverbanks Society

The Riverbanks Society (the "Society") was organized exclusively to provide additional financial support for the District. The Society is reported as a discretely presented component unit. Each year, the Society provides the District with direct support from its dues and from specific fund-raising campaigns. During the year ended June 30, 2012, the Society contributed \$1,000,000 in direct support to the General Fund of the District. In addition, the Society paid loan costs of \$217,925 on behalf of the District due on the 2007 note payable of which the Society is the guarantor, and contributed special support for capital projects of \$171,516.

Note 11. Deficit Fund Balance

A deficit of unreserved and undesignated fund balance for capital improvements of \$47,526 existed in the Capital Projects Fund as of June 30, 2011. The balance of the deficit was funded from the General Fund during the year ended June 30, 2012.

Note 12. Special Revenue Fund

The Special Revenue Fund was established to account for the receipt and disbursement of funds generated from an agreement between Aramark and the District for the purpose of paying for major repairs to existing equipment or to purchase additional capital improvements and/or additional equipment for the facilities operated by Aramark. The fiscal year ending fund balance of \$77,502 is reflected as assigned for operations.

Note 13. Subsequent Events

During the 2011-12 year the District submitted a request for a \$32 million bond referendum to Richland and Lexington County Councils. Approval is required by both County Councils. A unanimous approval was obtained from Richland County Council prior to the end of the fiscal year. Lexington County Council gave the third and final unanimous approval September 11, 2012. The bond will fund new exhibits, major enhancements and infrastructure needs.

REQUIRED SUPPLEMENTARY INFORMATION

Richland-Lexington Riverbanks Park District
Schedule of Funding Progress and Employer Contributions -
Other Postemployment Benefits
Fiscal Year Ended June 30, 2012

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2010	\$ -	\$ 925,000	\$ 925,000	0%	\$ 3,695,900	25.0%
6/30/2011	\$ -	\$ 925,000	\$ 925,000	0%	\$ 3,859,213	24.0%
6/30/2012	\$ -	\$ 2,791,478	\$ 2,791,478	0%	\$ 3,844,341	72.6%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ended June 30,	Annual Required Contribution (ARC)	Actual Contribution	Net OPEB Liability	Percent of ARC Contributed
2010	\$ 94,300	\$ 19,320	\$ 155,298	20.49%
2011	\$ 103,931	\$ 21,984	\$ 237,614	21.15%
2012	\$ 257,464	\$ 33,204	\$ 462,299	12.90%

NOTE: The District employed a new actuarial company for fiscal year 2012. Upon completing the current year valuation, it was determined that the prior valuation was based on an assumption that the benefit ended at age 65. That assumption was incorrect and is reflected in the significant increase in the liability and ARC for fiscal year 2012.

RICHLAND-LEXINGTON RIVERBANKS PARK DISTRICT

BUDGETARY COMPARISON
SCHEDULE FOR GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$ 3,129,586	\$ 3,049,686	\$ 3,090,318	\$ 40,632
Accommodations & Hospitality Taxes	130,000	192,294	192,294	-
Admissions	3,802,227	3,802,227	3,944,390	142,163
Concessions	890,000	890,000	980,428	90,428
Riverbanks Society	1,218,661	1,156,097	1,217,925	61,828
Classes and Program Fees	377,179	364,814	348,480	(16,334)
Rides, Shows, Promotions and Rentals	1,571,477	1,820,668	1,952,581	131,913
Facility Rental and Group Sales Admissions Revenue	240,218	245,467	282,449	36,982
Sponsorships	25,000	33,899	48,870	14,971
Non-Federal Grants and Donations	8,050	39,005	46,070	7,065
Interest Income	4,000	4,199	5,565	1,366
Other	8,500	13,554	18,637	5,083
Total Revenues	11,404,898	11,611,910	12,128,007	516,097
Expenditures				
Current				
Administrative	1,214,283	1,451,852	1,432,282	19,570
Animal Care	3,067,032	3,037,742	2,962,067	75,675
Education	186,065	183,241	150,746	32,495
Botanical Care	801,553	838,787	831,526	7,261
Facility Management	875,944	881,810	784,920	96,890
Utilities	1,011,000	937,716	917,925	19,791
Marketing and Public Relations	902,394	924,813	809,959	114,854
Guest Services	1,512,914	1,500,787	1,554,472	(53,685)
Rides, Shows, Promotions and Rentals	961,271	904,690	949,847	(45,157)
Classes and Programs Expenditures	331,415	302,996	302,873	123
Debt Service				
Principal	129,436	130,949	136,017	(5,068)
Interest	139,703	134,517	129,420	5,097
Capital Outlay				
Land, Building, Equipment and Improvements	231,888	342,552	82,713	259,839
Rides, Shows and Promotions	-	-	4,568	(4,568)
Total Expenditures	11,364,898	11,572,452	11,049,335	523,117
Excess of Revenues Over (Under) Expenditures	40,000	39,458	1,078,672	1,039,214
Other Financing Sources (Uses)				
Transfers Out	(40,000)	(39,458)	(607,272)	(567,814)
Total Other Financing Sources (Uses)	(40,000)	(39,458)	(607,272)	(567,814)
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	-	-	471,400	\$ 471,400
Fund Balance, Beginning of Year	2,353,407	2,353,407	2,353,407	
Fund Balance, End of Year	\$ 2,353,407	\$ 2,353,407	\$ 2,824,807	

OTHER SUPPLEMENTARY INFORMATION

Riverbanks Zoo and Garden Overview

Riverbanks Zoo and Garden...Flora, Fauna and History

Riverbanks Zoo and Garden is home to more than 2,000 magnificent and fascinating animals and one of the nation's most beautiful and inspiring botanical gardens. The lush 170-acre site features dynamic natural habitat exhibits, scenic river views, spectacular valley overlooks and significant historic landmarks.

With more than 350 species from around the world, Riverbanks is one of the largest mid-sized zoos in the country and South Carolina's leading destination attraction. A visit to the Zoo will play host to an array of wild adventures - from a diving expedition on a Pacific coral reef to a safari through the plains of Africa to an interactive Outback encounter with a flock of sociable lorikeets.

Across the river in the Botanical Garden, more than 4,300 species of native and exotic plants provide a living classroom for gardeners and non-gardeners alike. The Botanical Garden also serves as the ideal location for weddings and special events.

Riverbanks has been listed on the National Register of Historic Places since 1973. Structural remains dating back to the early 1800s can be found throughout the park. The Saluda Mill, one of South Carolina's oldest textile mills, was set ablaze by Sherman and his troops. The ruins of the mill can be found along Riverbanks' Garden River Trail. In an effort to further educate the community about the historical significance of the Saluda Mills, an Interpretive Center was built adjacent to the mill site in 1999. Artifacts, descriptions and graphics are displayed in the Center at Riverbanks.

All in the Numbers

In fiscal year 2012, Riverbanks hosted 1,029,492 visitors, exceeding FY2011 by more than 29,000 visitors.

Forty-four percent of Riverbanks' visitors originate from outside a 50-mile radius of Richland and Lexington counties, and nearly 30% come from out of state. In fiscal year 2012, more than 450,000 Zoo visitors were tourists.

According to a recent economic impact study of Riverbanks Zoo and Garden, conducted by the USC College of Hospitality, Retail and Sport Management, Riverbanks is a powerful economic driver within the Midlands, generating \$60.8 million in local business sales and more than 700 jobs throughout the community.

Who Visits the Zoo?

The average Riverbanks patron is a college-educated or technical school-trained white female married between the ages of 25 and 45 with an average of 2 children below the age of 8. The average visitor reports a total yearly household income of \$56,000 or more and lives within a 50 mile radius of the Zoo. Both male and female visitors are likely to be employed full-time in technical, white collar or managerial positions or other professional specialties.

Conservation Education

For nearly 40 years, Riverbanks has provided individuals, families and groups with a common place to connect with and learn about the world's wildlife and wild places. Thousands of school-aged children from across the Southeast visit Riverbanks each year to participate in one of our many conservation education programs. Whether engaged in a day camp, school program, overnight or behind-the-scenes Adventure Tour, participants can be certain that our team of highly-skilled educators will provide an interactive and captivating learning experience.

Riverbanks Zoo and Garden Overview (continued)

Signature Events

Throughout the year, Riverbanks hosts five signature after-hours events, showcasing the Zoo to the non-traditional Zoo-goer. Lights Before Christmas and Boo at the Zoo are family-friendly holiday events that have become perennial favorites for folks in the Midlands. Wine Tasting at Riverbanks Botanical Garden, Brew at the Zoo and Riverbanks ZOOafari are geared toward an adult audience and are the major fundraisers hosted by Riverbanks Society.

Giving Back

In fiscal year 2012, Riverbanks gave back to the community through several ongoing complimentary admissions programs, representing at least \$322,748 in donated admissions. Riverbanks:

- Offered free admissions totaling more than \$304,172 to:
 - Residents of Richland and Lexington counties every Friday during January and February,
 - Guests bringing in non-perishables for Harvest Hope Food Bank during the two-for-one Toucan Tuesday summer promotion, and
 - all Richland and Lexington county school students.
- Provided more than \$18,576 in complimentary admission tickets to local charities and nonprofit organizations.

In addition, Riverbanks has supported the community through the following partnerships:

- Riverbanks hosts Palmetto Health Hospital's PrimeTimes group (seniors 55 and older) for the ZooWalkers program. Riverbanks donates monthly meeting space and provides keynote speakers for six of the twelve sessions.
- For six years, Riverbanks has partnered with South Carolina Operation Military Kids to provide free admission on Father's Day to children with deployed dads (and moms) or children whose parents have returned from deployment within the past year.
- For eight years, Riverbanks has hosted Dreamnight at the Zoo in partnership with Palmetto Health Children's Hospital. The Zoo opens after hours for an exclusive evening designed for critically disabled and terminally ill children. Most often, these children are accompanied by the caregivers who work with them on a day-to-day basis.

Riverbanks Zoo and Garden Overview (continued)

Riverbanks Provides Guests with an Award-Winning Experience

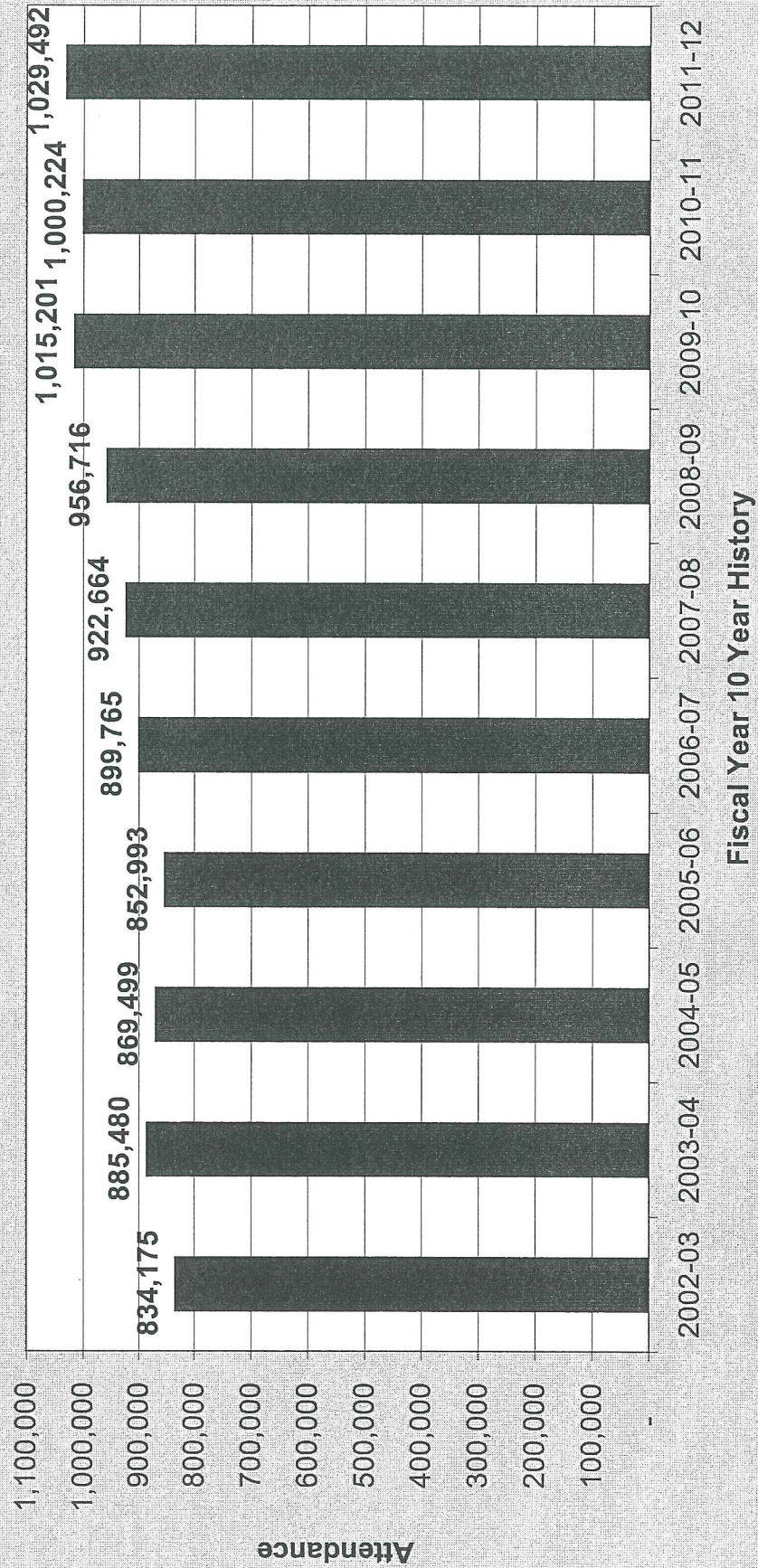
Notably, Riverbanks has received several awards over the past few years from readers of major publications throughout the region.

- **Named One of America's Top 10 Zoos**
by TripAdvisor
- **Voted Best Place to Take Out-of-Towners**
by readers of FreeTimes
- **Voted Best Local Attraction**
by readers of *The State* newspaper
- **Voted Best Place to Take Your Children for the Afternoon**
by readers of Palmetto Parent magazine
- **Recipient of the BOB (Best of the Best) Award for Best Day Trip**
by *Charlotte Magazine*
- **Voted Best Day Trip**
by the readers of *Charlotte Parent* magazine
- **Named South Carolina's Top Field Trip Attraction**
by *Carolina Field Trips* magazine
- **Voted Most Family Friendly Day Trip Destination**
by readers of *Low Country Parent* magazine

Riverbanks Zoo and Garden
Fiscal Year Attendance History

Category:	Fiscal Year:										
	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	
Regular Paid	294,990	305,631	320,748	332,845	339,662	345,873	359,070	415,773	386,478	406,356	
Group Paid	108,999	119,161	113,383	100,721	108,565	102,581	89,290	83,459	87,866	103,156	
Total Paid	403,989	424,792	434,131	433,566	448,227	448,454	448,360	499,232	474,344	509,512	
Free School Groups- Lexington & Richland Counties	30,150	30,138	30,212	28,035	30,413	31,569	34,518	35,943	24,461	19,081	
Riverbanks Society Visits	324,443	348,423	326,802	303,412	320,345	339,619	362,576	338,235	376,052	396,897	
Free Friday's-Lexington & Richland Counties	5,327	10,620	8,858	16,074	27,265	30,278	29,244	24,858	23,734	20,291	
Prepaid and Complimentary and Promotional	24,099	17,590	15,111	17,481	14,180	10,862	16,713	17,007	19,327	22,163	
After Hours Attendance	46,167	53,917	54,385	54,425	59,335	61,882	65,305	63,805	59,445	58,857	
Children Under Three											
Total Free	430,186	460,688	435,368	419,427	451,538	474,210	508,356	515,969	525,880	519,980	
Total Attendance	834,175	885,480	869,499	852,993	899,765	922,664	956,716	1,015,201	1,000,224	1,029,492	

Riverbanks Zoo & Garden



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

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

Commissioners
Richland-Lexington Riverbanks Park District

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Richland-Lexington Riverbanks Park District (the "District"), as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 1, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of management, Commissioners, and others within the District.

Scott and Company LLC

Columbia, South Carolina
November 1, 2012

Richland-Lexington Riverbanks Park District
Schedule of Findings
Year Ended June 30, 2012

Financial Statement Findings

There were no findings for the year ended June 30, 2012.

Richland-Lexington Riverbanks Park District
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2012

Summary Schedule of Prior Audit Findings

During the current engagement, we reviewed the status of corrective action taken on the finding reported in the Schedule of Findings section of the District's financial statements for the fiscal year ended June 30, 2011. We determined that the District has taken adequate corrective action on the finding.

[FORM OF OPINION OF HAYNSWORTH SINKLER BOYD, P.A.]

[purchaser]
[city and state]

Re: \$_____ General Obligation Bonds, Series 2013,
 of Richland-Lexington Riverbanks Parks District, South Carolina

Sirs:

We have examined a certified copy of the Transcript of Proceedings and other proofs submitted to us, including the Constitution and Statutes of the State of South Carolina, in relation to the issuance of the \$[] General Obligation Bonds, Series 2013, of Richland-Lexington Riverbanks Parks District, South Carolina (the “Bonds”).

The Bonds are issued pursuant to the provisions of Sections 6-11-810 to 6-11-1040, inclusive, Code of Laws of South Carolina, 1976, as amended, Title 11 Chapter 27, Code of Laws of South Carolina 1976, as amended (the “Enabling Act”), and a resolution (the “Resolution”) duly adopted by the Riverbanks Parks Commission, the governing body of Richland-Lexington Riverbanks Parks District, South Carolina (the “District”).

In our opinion, the said proceedings are regular and in due form of law, and the Bonds constitute valid and binding obligations of the District, and are payable, both principal and interest, from a direct ad valorem tax upon all taxable property in the District, without limit as to rate or amount. Provision has been made for the levy and collection of the tax to meet the payment of the principal of and interest on the Bonds, as the same respectively mature, except to the extent that the enforceability of the Bonds may be limited as described below.

Pursuant to Section 12-2-50 and Section 6-11-1000 of the South Carolina Code of Laws, 1976, as amended, the Bonds and the interest thereon are exempt from all taxation by the State of South Carolina, its counties, municipalities and school districts except estate, transfer or certain franchise taxes. Interest paid on the Bonds is currently subject to the tax imposed on banks by Section 12-11-20, Code of Laws of South Carolina 1976, as amended, which is enforced by the South Carolina Department of Revenue as a franchise tax. The opinion of Bond Counsel is limited to the laws of the State of South Carolina and federal tax laws. No opinion is rendered by Bond Counsel concerning the taxation of the Bonds or the interest thereon under the laws of any other jurisdiction.

Interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income of the registered owners thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. The opinion set forth in the preceding sentence is subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excludable from gross income for federal income tax purposes. Failure to comply with certain of such requirements may cause interest

on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The Commission has covenanted to comply with all such requirements. It should be noted, however, that for the purpose of computing the alternative minimum tax imposed on certain corporations (as defined for federal income tax purposes), interest on the Bonds is taken into account in determining adjusted current earnings. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

It is to be understood that the obligations of the District under the Bonds and the Resolution, and the enforceability thereof, may be subject to judicial discretion, the valid exercise of the sovereign police powers of the State of South Carolina and of the constitutional powers of the United States of America, and applicable bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors rights.

We express no opinion herein regarding the accuracy, adequacy or completeness of the Official Statement dated _____, 2013 relating to the Bonds. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

We have been advised on this date that there is no litigation threatened or pending, which, in any manner affects the validity of the Bonds.

We have examined an executed Bond of said issue, and in our opinion, its form and execution are in due form of law.

Very truly yours,

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by Richland-Lexington Riverbanks Parks District, South Carolina (the “Issuer” or “District”) in connection with the issuance of \$_____ General Obligation Bonds, Series 2013, of Richland-Lexington Riverbanks Parks District, South Carolina (the “Bonds”). The Bonds are being issued pursuant to a Resolution adopted November 15, 2012 (the “Resolution”). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Bondholders and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Bondholder” or “Holder” shall mean the registered holder of any of the Bonds and any Beneficial Owner of the Bonds.

“Dissemination Agent” shall mean the Issuer or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“National Repository” shall mean the Electronic Municipal Market Access system (EMMA) maintained by the Municipal Securities Rulemaking Board.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Repository” shall mean the National Repository and each State Depository, if any.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State Depository” shall mean any public or private depository or entity designated by the State as a state depository for the purpose of the Rule. As of the date of this Certificate, there is no state depository established in South Carolina.

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than seven months following the end of each year, commencing with the fiscal year ending June 30, 2013, provide to the

Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than fifteen (15) business days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent, if other than the Issuer. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report, and later than the date required for the filing of the Annual Report if they are not available by that date. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(a) hereof. The Issuer shall make a copy of any Annual Report available to any person who requests a copy at a cost not exceeding the reasonable cost of duplication and delivery.

(b) If the Issuer is unable to provide to the Repository an Annual Report by the date required in subsection (a), the Issuer shall send a notice to the Municipal Securities Rulemaking Board and to the State Depository, if any, in substantially the form attached as Appendix I.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of the National Repository and each State Depository, if any; and,

(ii) if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the Repositories to which it was provided.

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain the Issuer's complete audited financial statements, which shall be prepared in conformity with generally accepted accounting principles. If the Issuer's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available. In addition thereto, the Annual Report shall contain or incorporate by reference the following:

- (a) District attendance for prior fiscal year;
- (b) Total ad valorem tax contribution from County Councils of Lexington and Richland Counties for prior fiscal year;
- (c) Assessed value of the District at end of prior fiscal year; and
- (d) Total ad valorem tax collections for Lexington and Richland Counties for prior fiscal year.

The Annual Report may consist of one or more documents. Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to the Repository or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Issuer shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds:

- (i) Delinquency in payment when due of any principal of or interest on the Bonds;
 - (ii) Defeasance of the Bonds or any portion thereof;
 - (iii) Any change in any rating on the Bonds;
 - (iv) Adverse tax opinions;
 - (v) The issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the status of the securities, or other material events affecting the tax status of the security;
 - (vi) Tender offers;
 - (vii) Any unscheduled draw, reflecting financial difficulties, on any reserve fund established by the Issuer to secure further the timely repayment of the Bonds;
 - (viii) Any unscheduled draw reflecting financial difficulties on any credit enhancement device obtained by the Issuer to secure further the timely repayment of the Bonds;
 - (ix) Any change in the provider of any credit enhancement device described in item (vii) above, or any failure by the provider to perform under such a credit enhancement device; or
 - (x) Bankruptcy, insolvency, receivership or similar event of the Issuer.
- (b) Pursuant to the provisions of this Section 5, the Issuer shall give or cause to be given notice of the occurrence of any of the following events with respect to the Bonds, if material:
- (i) Occurrence of any event of default under the Resolution (other than as described in clause (a)(i) above);
 - (ii) Amendment to the Resolution or this Disclosure Undertaking modifying the rights of the Beneficial Owners of the Bonds;
 - (iii) Giving of a notice of optional or unscheduled redemption of any Bonds;
 - (iv) The release, substitution or sale of any property hereafter leased, mortgaged or pledged by the Issuer securing repayment of the Bonds;
 - (v) Consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such action, other than pursuant to its terms; or
 - (vi) Appointment of a successor or additional trustee, or the change of name of a trustee.
- (c) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event in subsection (b) above, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the Issuer determines that a Listed Event in subsection (b) above would be material under applicable federal securities law, or upon the occurrence of any Listed Event in subsection (a) above, the Issuer shall file a notice of the Listed Event in a timely manner, not in excess of ten business days of such occurrence, with the National Repository and the State Depository, if any.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be the Issuer.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(a), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

RICHLAND-LEXINGTON RIVERBANKS
PARKS DISTRICT, SOUTH CAROLINA

By: _____
Chairman, Riverbanks Parks Commission

Date: _____, 20____

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Richland-Lexington Riverbanks Parks District, South Carolina

Name of Bond Issue: \$ General Obligation Bonds, Series 2013

Date of Issuance: _____, 20__

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 9.04 of a Resolution dated November 15, 2012. The Issuer anticipates that the Annual Report will be filed by _____.

RICHLAND-LEXINGTON RIVERBANKS
PARKS DISTRICT, SOUTH CAROLINA

By: _____
Chairman, Riverbanks Parks Commission

Date: _____, 20__