

Comprehensive Annual Financial Report

Year Ended December 31, 2020



COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF RICHMOND HILL, GEORGIA
FOR THE YEAR ENDED DECEMBER 31, 2020



PREPARED BY
DEPARTMENT OF FINANCE
40 RICHARD DAVIS DRIVE, RICHMOND HILL, GEORGIA 31324
MAY 7, 2021



CITY OF RICHMOND HILL, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2020

TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

Letter of Transmittal	i – v
Organizational Chart.....	vi
List of Principal Officials	vii

FINANCIAL SECTION

Independent Auditor’s Report	1 – 3
Management’s Discussion and Analysis	4 – 17

Basic Financial Statements:

Government-wide Financial Statements

Statement of Net Position.....	18
Statement of Activities.....	19

Fund Financial Statements

Balance Sheet – Governmental Funds.....	20
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	21
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	23
General Fund – Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – GAAP Basis.....	24
Fire Department Fund – Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – GAAP Basis.....	25
Statement of Net Position – Proprietary Funds	26
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	27
Statement of Cash Flows – Proprietary Funds	28 and 29

Notes to Financial Statements	30 – 60
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Required Supplementary Information:

Schedule of Changes in the Net Pension Liability and Related Ratios	61
Schedule of City Contributions.....	62

CITY OF RICHMOND HILL, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2020

TABLE OF CONTENTS (CONTINUED)

Page

FINANCIAL SECTION (CONTINUED)

Supplementary Information:

Combining and Individual Fund Statements and Schedules

Combining Balance Sheet – Nonmajor Governmental Funds.....	63
Combining Statement of Revenues, Expenditures and Changes	
In Fund Balances – Nonmajor Governmental Funds	64
Schedule of Revenues, Expenditures and Changes in Fund Balance	
Budget and Actual – GAAP Basis:	
Confiscated Assets Fund	65
Hotel/Motel Fund	66
City Center Fund	67
Downtown Development Authority Fund	68
Balance Sheet – Convention and Visitor’s Bureau.....	69
Reconciliation of the Convention and Visitor’s Bureau Balance Sheet	
to the Statement of Net Position.....	69
Statement of Revenues, Expenditures and Changes in Fund Balance –	
Convention and Visitor’s Bureau.....	70
Reconciliation of the Convention and Visitor’s Bureau Schedule of	
Revenues, Expenditures and Changes in Fund Balance to the	
Statement of Activities.....	70
Schedule of Expenditures of Special Purpose Local Option	
Sales Tax Proceeds – SPLOST VII.....	71
Schedule of Expenditures of Transportation Special Purpose	
Local Option Sales Tax Proceeds	72

STATISTICAL SECTION

Statistical Information:

Net Position by Component.....	73
Changes in Net Position.....	74 and 75
Fund Balances of Governmental Funds	76
Changes in Fund Balances of Governmental Funds	77
Assessed Value and Estimated Actual Value of Taxable Property	78
Direct and Overlapping Property Tax Rates.....	79
Principal Property Taxpayers	80
Property Tax Levies and Collections	81
Water and Sewer Rates	82
Ratios of Outstanding Debt by Type.....	83
Direct and Overlapping Governmental Activities Debt	84
Legal Debt Margin Information	85

CITY OF RICHMOND HILL, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2020

TABLE OF CONTENTS (CONTINUED)

Page

STATISTICAL SECTION (CONTINUED)

Statistical Information (Continued):

Pledged-Revenue Coverage.....	86
Demographic and Economic Statistics	87
Principal Employers.....	88
Full-Time Equivalent City Employees by Function/Program.....	89
Operating Indicators by Function	90
Capital Asset Statistics by Function.....	91
Water System Production, Sewerage Treatment and Number of Customers	92

COMPLIANCE SECTION

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	93 and 94
Independent Auditor's Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	95 – 97
Schedule of Expenditures of Federal Awards	98
Notes to Schedule of Expenditures of Federal Awards	99
Schedule of Findings and Questioned Costs	100 and 101



INTRODUCTORY SECTION





May 7, 2021

Honorable Mayor and City Council
City of Richmond Hill
Richmond Hill, Georgia

Dear Mayor and Council Members:

In accordance with state statutes and local charter provisions, we hereby submit the first Comprehensive Annual Financial Report of the City of Richmond Hill, Georgia (the "City") for the year ended December 31, 2020. Management assumes full responsibility for the completeness and reliability of the information contained in the report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Mauldin & Jenkins LLC, has issued an unmodified ("clean") opinion on the City's financial statements for the year ended December 31, 2020. The Independent Auditor's Report is located at the front of the financial section of this report. In addition to the audit of the financial records, the City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996, and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Information related to this single audit, including the schedule of expenditures of federal awards and auditor's reports on the internal control and compliance with applicable laws and regulations, and a schedule of findings and questioned costs is presented in the last section of this report.

Generally Accepted Accounting Principles ("GAAP") require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the Independent Auditor's Report.

Profile of the Government

The history of Richmond Hill goes back to the earliest days of the Georgia colony when, in 1733, General James Oglethorpe built Fort Argyle near the confluence of the Ogeechee and Canoochee Rivers to protect the western approaches to Savannah. The availability of highly cultivable agricultural bottom land along the Ogeechee River led to rapid settlement in lower St. Philip Parish (Bryan Neck) through the issuance of crown land grants prior to the Revolution. In 1793, Bryan County was created from Chatham and Effingham Counties, being named in honor of Colonial planter and Revolutionary patriot Jonathan Bryan (1708-1788).

In 1856, the Savannah, Albany and Gulf R.R. was built across the nearby Ogeechee River into Bryan County. Near this site a train depot was built, which came to be known as "Ways No. 1 ½" for William J. Way, the first station master and a local rice planter on lands through which the railroad passed. A settlement grew up in the section between the railroad tracks and the crossroads just to the west. It came to be called Ways Station, a designation that lasted until 1941 when the name of the community was changed to Richmond Hill.

Richmond Hill also has a historical connection to industrialist Henry Ford. Ford used the town, formerly known as Ways Station, as a winter home and philanthropic social experiment, building the complex known as the Ford Farms along the Ogeechee River in the 1930s. After just one visit he chose this area as his winter home. Ford's dwelling was built on the site of Richmond Plantation, which was burned by elements of General William T. Sherman's army at the conclusion of the "March to the Sea". Ford's holdings eventually totaled 85,000 acres of agricultural and timber lands, most of which is now owned by the State of Georgia or ITT Rayonier, a timber company. Ford was also responsible for the construction of a number of public buildings, including a kindergarten, which now houses the museum of the Richmond Hill Historical Society, and a chapel which now houses St. Anne's Catholic Church. Both are located on Georgia S.R. 144, also known as Ford Avenue within the Richmond Hill city limits. The Ford Plantation has now been redeveloped as a luxury resort, with vacation cottages, a clubhouse, tennis, and golf. When it was suggested that the town be renamed "Ford", he declined, and instead Ways Station was renamed "Richmond Hill" after the site of Ford's home on the banks of the Ogeechee River. Richmond Hill was incorporated as a City in 1962.

The City government provides a full range of municipal services: police and fire; municipal court; sanitation; water and sewer utility; stormwater; recreational and cultural services; planning and zoning; code compliance; and construction and maintenance of highways, streets and infrastructure. State law empowers the City to levy a property tax on real and personal property as well as receive a portion of sales tax revenue for operating and capital purposes. These are the two main funding sources of the City.

The City of Richmond Hill operates under a council-manager form of government as authorized by Charter. This organizational plan authorizes legislative responsibility for municipal government to the City Council but delegates executive and administrative authority to the City Manager. The Charter empowers the Council, which consists of the Mayor and four Council members, to levy taxes, enact ordinances and adopt the annual budget and service plan as well as to perform other legislative duties, including approving agreements, major purchases and land use changes. Four Council members are elected by post and the Mayor is elected at-large. All serve concurrent four-year terms. The Charter recognizes the Mayor as the official head of the City and the presiding officer during Council meetings. The Charter empowers the City Manager, whom the Council appoints, to serve as the Chief Executive Officer, to manage the organization day-to-day and remain responsible to the Council for the proper and efficient administration of the City government.

The financial reporting entity of the City includes all the funds of the City as well as all of its component units. Component units are legally separate entities for which the City is financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and are included as part of the City. Accordingly, the Downtown Development Authority of Richmond Hill is reported as a special revenue fund of the City. Discretely presented component units are also separate legal entities that meet the component unit criteria but do not meet the criteria for blending. As such, the Convention and Visitor's Bureau is reported as a discretely presented component unit of the City.

Each December, the Council adopts the budget for the upcoming year by ordinance. The annual budget serves as the foundation for the City's financial planning and control and service plan. The budget is prepared by fund, function, and department and is closely monitored throughout the year. Additionally, expenditures, revenues and performance data are monitored in order to ensure the successful implementation of the City's service plan. As conditions change or circumstances are altered, the budget process allows for amendments.

Local Economy

The City's economy was significantly impacted during 2020 by the COVID-19 pandemic much like the state and the Nation. As vaccines are distributed and many restrictions are lifted, we expect the economy to recover in a relatively short period of time.

The City is part of the Savannah Metropolitan Area ("SMA") which includes Bryan, Chatham and Effingham Counties. Richmond Hill is located four miles south of the City of Savannah limits and only 20 miles from downtown Savannah. This puts the City in a desired location for both residences and businesses. Interstate 95 runs through the city limits of Richmond Hill plus the City is well connected to global markets – less than 30 minutes from Savannah-Hilton Head International Airport and the Port of Savannah. In fact, other major ports, including Charleston, Brunswick and Jacksonville are short drives via Interstate 95. The City also has locations suitable for industrial use. Belfast Commerce Park offers large rail-served sites and parcels of land with frontage on Interstate 95.

The City and surrounding areas ("SMA") enjoy a diversified local economic base. This economic base includes: (i) major manufacturers of counter tops, jet aircraft, paper products and chemicals, (ii) two large military installations, (iii) three acute care hospitals and 18 nursing care facilities, (iv) 18 institutions of higher learning, and (v) the nation's fourth largest urban landmark historic district. Unemployment within the region has been relatively low when compared to the national and state levels. For November 2020, unemployment in Richmond Hill was 4.2% compared to 6.7% nationally and 5.6% for the State of Georgia as a whole.

Overall, five industry groups account for over half of the jobs in Richmond Hill: educational (12.2%), accommodation and food services (12.9%), health care (11.7%), construction (10.7%) and manufacturing (9.87%). The federal government is also a significant economic presence thanks to Fort Stewart, located in nearby Liberty County, and Hunter Army Airfield, located in Savannah, which together provide employment to over 20,000 officers and enlisted military and 4,100 civilian personnel.

Tourism related numbers, as evidenced by hotel/motel related tax receipts, were significantly impacted by the COVID-19 pandemic in 2020. Revenues from this revenue source decreased 25% from 2019. As travel restrictions are eased, we expect this revenue stream to rebound. During 2020, the Great Ogeechee Seafood Festival and many other events were canceled due to the pandemic.

Over the past several years, Richmond Hill's tax base has been strong and increased due to growth in property values at an average of 6% each of the past 5 years. Richmond Hill has historically levied a low property tax rate. For 2020, the millage tax rate was 4.132. The City has experienced economic growth over the past several years, as shown in our continued growth of utility billing customers and building permits issued.

Long-term Financial Planning

As of December 31, 2020, unassigned fund balance in the general fund (76.7% of total general fund expenditures and transfers out) is above the percentage recommended by the Government Finance Officers Association. Since the City does not have a general capital projects fund to fund projects not eligible for Special Purpose Local Option Sales Tax ("SPLOST") or Transportation Special Purpose Local Option Sales Tax ("TSPLOST") funding, a higher percentage would be prudent. No draw on general fund reserves is planned in the 2021 budget and current expenditures and transfers out are balanced with current revenues and transfers in.

The adopted 2021 budget conservatively assumed 3% growth in the total taxable value of property in the City and tentatively set a 2021 property tax of 4.132 mills compared to the final millage rate for 2020 of 4.132 mills.

In addition to the annual operating budget, the City prepares a capital improvement plan that is updated on an annual basis. The most recent plan identifies projects and funding that total \$13 million and includes major categories of water and sewer, public buildings, parks and recreation, drainage, streets and traffic improvements, and major equipment purchases. The SPLOST fund is projected to contribute \$7.1 million of the funding for the plan and the TSPLOST fund will contribute \$2.4 million. The water and sewer fund accounts for \$3.5 million of the funding for the plan. Year one of the plan, which was adopted by the mayor and council in December 2020, totals \$6.6 million in project funding.

Major projects in process include the Great Ogeechee Parkway which connects Harris Trail and Belfast Keller roads in the City. There are plans for the development of residential subdivisions along the new parkway as well as new businesses in the area. Fire Station #3 is scheduled to be completed in 2021. This fire station will service not only the needs of citizens in the south section of the City but the Belfast Industrial Park. Water and sewer infrastructure is being constructed in the south section of the City in anticipation of significant development in the area. This project should be completed during 2021.

Major Initiatives

The City strives to provide adequate public safety for its citizens, provide for responsible and planned expansion for new residents and businesses wanting to relocate to the City, maintain a safe and sound infrastructure and to provide adequate recreational areas for its citizens. The attainment of these goals is in the process of being met by the initiatives discussed below.

In 2017, the City annexed approximately 5,000 acres with the anticipation of development in the area. As part of this annexation, the City has agreed to provide a road that connects Harris Trail and Belfast Keller roads with anticipation of alleviating traffic through the City and providing access to the new interchange at I-95 and Belfast Keller Road. As this area of the City continues to develop, the City is in the process of constructing a fire station and purchasing the necessary equipment to service the industrial park and new residential communities that are anticipated in the near future. The City is also preparing a long-range plan for other public safety services that will be needed not only for new developments but the City as a whole.

Being located on the coast, the City is constantly dealing with drainage issues when significant rain events occur. The City is working with an engineering firm to develop long-term drainage initiatives including projects to alleviate flooding and performing routine maintenance schedules for its drainage infrastructure systems.

In conjunction with the City's water and sewer operations contractor, the City has prepared a plan to address maintenance and replacement needs of the City's aging water and sewer systems. The City is providing the necessary water and sewer infrastructure in the south section of the City to address the needs in this area.

Other Information

Awards

With the completion of this document, the City of Richmond Hill will apply for the Government Finance Officers Association of the United States and Canada ("GFOA") Certificate of Achievement for Excellence in Financial Reporting.

Acknowledgments

The preparation of this report could not have been accomplished without the professional, efficient, and dedicated services of the entire staff of the Finance Department. We express appreciation to all City departments for their assistance in providing the data necessary to prepare the statistical portion of the report and for their budgetary oversight for their departments. We would also like to thank the Mayor and Council for their support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Chris Lovell, City Manager

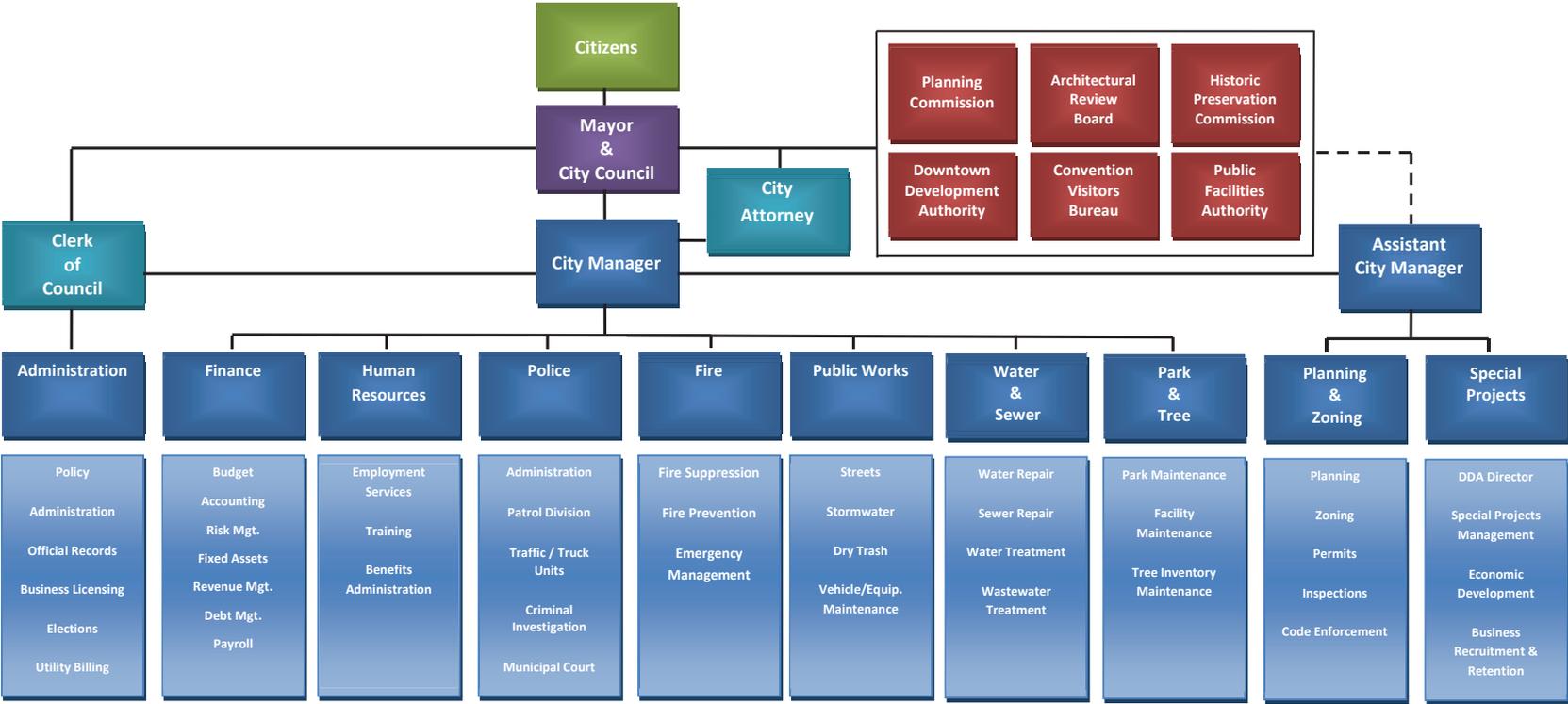


Derrick Cowart, Finance Director

CITY OF RICHMOND HILL, GEORGIA

ORGANIZATIONAL CHART BY DEPARTMENT/FUNCTION

DECEMBER 31, 2020



CITY OF RICHMOND HILL, GEORGIA

LIST OF PRINCIPAL OFFICIALS DECEMBER 31, 2020

Principal City Officials

Mayor
Council Member/Mayor Pro Tem
Council Member
Council Member
Council Member

Russ Carpenter
Kristi Cox
Robbie Ward
Mark Ott
Steve Scholar

Other Officials

City Manager
Assistant City Manager/Planning and Zoning
Director Clerk of Council
Finance Director
Police Chief
Fire Chief
Park and Tree

Chris Lovell
Scott Allison
Dawnne Greene
Derrick Cowart
Mitch Shores
Brendon Greene
Harvey Lashley



FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

**Honorable Mayor and Members
of the City Council
City of Richmond Hill, Georgia
Richmond Hill, Georgia**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **City of Richmond Hill, Georgia** (the "City"), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Fire Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 17), the Schedule of Changes in the City's Net Pension Liability and Related Ratios, and the Schedule of City Contributions (on pages 61 and 62) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

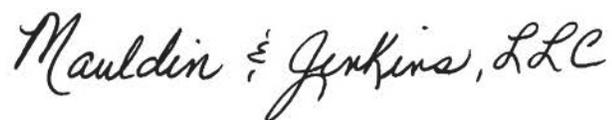
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, the balance sheet and statement of revenues, expenditures and changes in fund balance for the discretely presented component unit, and the statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of special purpose local option sales tax proceeds and the schedule of transportation special purpose local option sales tax proceeds, as required by the Official Code of Georgia Annotated §48-8-121, are also presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance), and is also not a required part of the basic financial statements of the City.

The combining and individual nonmajor fund financial statements and schedules, the schedule of expenditures of special purpose local option sales tax proceeds, the schedule of transportation special purpose local option sales tax proceeds, the schedule of expenditures of federal awards, and the balance sheet and statement of revenues, expenses and changes in fund balance for the discretely presented component unit are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, the schedule of expenditures of special purpose local option sales tax proceeds, the schedule of transportation special purpose local option sales tax proceeds, the schedule of expenditures of federal awards, and the balance sheet and statement of revenues, expenses and changes in fund balance for the discretely presented component unit are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 7, 2021, on our consideration of the City of Richmond Hill, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Richmond Hill, Georgia's internal control over financial reporting and compliance.



Savannah, Georgia

May 7, 2021



CITY OF RICHMOND HILL, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020

INTRODUCTION

Our discussion and analysis of the financial performance of the City of Richmond Hill (the "City") provides an overview of the City's financial activities for the calendar year ended December 31, 2020. The intent of this management discussion and analysis is to look at the City's financial performance as a whole. Readers should also review the financial statements and notes to the financial statements to enhance their understanding of the City's financial performance.

This report presents the financial highlights for last year and contains other supplementary information.

FINANCIAL HIGHLIGHTS

Government-wide Statements

- The City's assets exceeded its liabilities at December 31, 2020 by \$76,562,569 (net position). Of this amount, \$18,633,657 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors. This is an increase of \$14,815,852 from 2019. The Convention and Visitor's Bureau ("CVB") component unit has a balance of \$48,556 in net position, which is restricted for tourism-related expenses.
- The City's total net position increased \$14,815,852 from the previous year with a \$6,100,744 increase resulting from governmental activities, and a \$8,715,108 increase from business-type activities.
- Key factors resulting in the increase in net position include:
 - a) The total net position of governmental activities increased primarily due to contributions of streets and sidewalks from developers and collection of the special purpose local option sales tax and the transportation special purpose local option sales tax.
 - b) The total net position of business-type activities increased primarily due to water and sewer and stormwater utility capital contributions from developers and collection of capital connection fees.
- Total long-term liabilities of the City were \$39,492,153 at year-end, an increase of \$1,951,832 from the previous calendar year. The increase was due to two new leases during 2020, additional draws on Georgia Environmental Finance Authority ("GEFA") loans and a significant increase in the net pension liability.

Fund Financial Statements

- At December 31, 2020, the City's governmental funds balance sheet reports combined ending fund balances of \$10,347,910, a decrease of \$848,374 under the previous calendar year.
- The General Fund reported an unassigned fund balance of \$7,631,599, an increase from 2019 of \$1,337,992. The City's General Fund enjoys a solid financial position, and is well positioned to improve overall in 2021 and beyond.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- The Special Purpose Local Option Sales Tax ("SPLOST") VII capital projects fund had a fund balance of \$2,616,261, an increase of \$287,637 from a year ago. The increase is due to SPLOST collections and proceeds from capital leases exceeding expenditures. The SPLOST fund did exceed expected revenue collections for the year.
- The Transportation Special Purpose Local Option Sales Tax ("TSPLOST") capital projects fund had a fund balance deficit of \$476,315, a decrease of \$2,734,311 from a year ago. The decrease is due to TSPLOST expenditures exceeding revenues. TSPLOST collections did exceed expectations; however, the City had proceeded with the construction of the Great Ogeechee Parkway with the anticipation of having insufficient cashflow to cover the cash needs of the fund. To address this funding gap, the City approved an advance from the Water and Sewer Fund. The deficit will be funded with future collections.
- The Non-Major Governmental Funds ended the year with a fund balance of \$329,938. These funds include the Confiscated Assets Fund, the Hotel Motel Tax Fund, the City Center Fund and the Downtown Development Authority Fund. These fund balances are reported as restricted due to the nature of the special revenue funds and the restriction on expenditure purposes.

OVERVIEW OF THE FINANCIAL STATEMENTS

Government-wide Financial Statements:

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private sector business. The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole, presenting both an aggregate and long-term view of the finances. These statements include all assets and liabilities using the accrual basis of accounting. This basis of accounting includes all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental activities reported in the statements include general government, judiciary, public safety, public works, culture and recreation, housing and development. Business-type activities in the City include water and sewer services in the Water and Sewer Enterprise Fund, and stormwater activities in the Stormwater Enterprise Fund.

The government-wide financial statements can be found on pages 18 and 19 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Like other state and local governments, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds- Governmental funds, presented on pages 18 and 19, essentially account for the same functions as those reported under the Government-wide Statement of Net Position and Statement of Activities. However, this set of financial statements focuses on events that produce near-term inflows and outflows of spendable resources as well as on the balances of spendable resources available at the end of the calendar year, and is a narrower focus than the government-wide financial statements. Such information may be useful in evaluating the City's near-term financing requirements and available resources.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are on pages 21 and 23, respectively.

The City's fund financial statements provide detailed information about the most significant funds – not the City as a whole. The majority of the City's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using the modified accrual accounting approach, which measures cash and all other financial assets that can be readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's operations and the services it provides.

Proprietary funds – Enterprise funds report, in greater detail, the same information presented as business-type activities in the government-wide financial statements. The water and sewer and stormwater utility enterprise funds are the City's major proprietary funds. These enterprise funds are found on pages 26 – 29 of this report.

Notes to the Financial Statements – The notes provide additional information that are essential to a full understanding of the data provided in both government-wide and fund financial statements. Notes are presented on pages 30 – 60 of the report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Other information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's pension. The City adopts an annual budget for its general and special revenue funds. A budgetary comparison statement has been provided for the General Fund and Fire Fund on pages 24 and 25. Individual schedules, which present a more detailed view of nonmajor funds used in governmental funds, begin on page 63. This section also includes budget to actual schedules for nonmajor special revenue funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The government-wide financial statements presented are for the calendar year ended December 31, 2020. The "total" approach to governmental accounting was mandated by the Government Accounting Standards Board ("GASB"). Governmental accounting falls under their auspices to insure the uniform presentation of governmental financial statements that are accurate and complete in their presentation. Statements will continue, as has been the case, to include current and prior calendar year data and provide greater opportunities for comparative analysis.

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's combined net position (government and business-type activities) totaled \$76.6 million at December 31, 2020. The following table presents a summary of the City's net position at December 31, 2020:

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current assets	\$ 13,628,312	\$ 14,052,519	\$ 18,262,061	\$ 13,617,204	\$ 31,890,373	\$ 27,669,723
Capital assets, net	30,459,059	24,245,459	57,387,286	50,577,078	87,846,345	74,822,537
Total assets	<u>44,087,371</u>	<u>38,297,978</u>	<u>75,649,347</u>	<u>64,194,282</u>	<u>119,736,718</u>	<u>102,492,260</u>
Deferred outflows of resources - pensions	<u>1,431,704</u>	587,612	<u>95,276</u>	25,485	<u>1,526,980</u>	613,097
Current liabilities	3,235,086	2,813,136	1,638,462	776,664	4,873,548	3,589,800
Noncurrent liabilities	<u>12,097,374</u>	<u>12,085,327</u>	<u>27,394,779</u>	<u>25,454,994</u>	<u>39,492,153</u>	<u>37,540,321</u>
Total liabilities	<u>15,332,460</u>	<u>14,898,463</u>	<u>29,033,241</u>	<u>26,231,658</u>	<u>44,365,701</u>	<u>41,130,121</u>
Deferred inflows of resources - pensions	<u>310,723</u>	211,979	<u>24,705</u>	16,540	<u>335,428</u>	228,519
Net position:						
Net investment in capital assets	20,361,059	17,803,365	30,149,056	25,193,212	50,510,115	42,996,577
Restricted for:						
Capital projects	2,733,897	4,646,704	4,226,171	2,688,970	6,960,068	7,335,674
Other purposes	458,729	255,973	-	240,866	458,729	496,839
Unrestricted	<u>6,322,207</u>	1,069,106	<u>12,311,450</u>	9,848,521	<u>18,633,657</u>	10,917,627
Total net position	<u>\$ 29,875,892</u>	<u>\$ 23,775,148</u>	<u>\$ 46,686,677</u>	<u>\$ 37,971,569</u>	<u>\$ 76,562,569</u>	<u>\$ 61,746,717</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

The largest portion of the City's net position (66.0%) reflect its investment in capital assets such as land, buildings, and equipment, less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (9.7%) represents resources that are subject to external restrictions on how they may be used. The remaining 24.3% balance (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors. Internally imposed designations of resources are not presented as restricted net position.

At the end of the current calendar year, the City is able to report positive balances in all three categories of net position for the government as a whole, including the separate governmental and business-type activities.

Changes in Net Position

The following table presents a summary of the changes in net position for the calendar year ended December 31, 2020:

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 3,275,871	\$ 3,235,319	\$ 7,761,189	\$ 7,890,519	\$ 11,037,060	\$ 11,125,838
Operating grants and contributions	1,251,945	267,575	-	-	1,251,945	267,575
Capital grants and contributions	6,445,873	2,922,427	7,994,353	2,383,506	14,440,226	5,305,933
General revenues:						
Property taxes	3,305,869	3,108,071	-	-	3,305,869	3,108,071
Sales taxes	2,437,245	2,172,772	-	-	2,437,245	2,172,772
Other taxes	3,206,650	3,287,916	-	-	3,206,650	3,287,916
Unrestricted investment earnings	69,064	150,039	31,011	55,321	100,075	205,360
Miscellaneous	215,887	414,647	-	329,903	215,887	744,550
Transfers	-	81,805	-	(81,805)	-	-
Total revenues	20,208,404	15,640,571	15,786,553	10,577,444	35,994,957	26,218,015
Expenses:						
General government	1,785,708	1,637,430	-	-	1,785,708	1,637,430
Judiciary	186,728	165,305	-	-	186,728	165,305
Public safety	6,385,460	6,035,013	-	-	6,385,460	6,035,013
Public works	3,411,660	3,220,143	-	-	3,411,660	3,220,143
Culture and recreation	644,457	701,117	-	-	644,457	701,117
Housing and development	1,344,037	1,361,337	-	-	1,344,037	1,361,337
Interest on long-term debt	349,610	361,374	-	-	349,610	361,374
Water and sewer	-	-	6,462,647	6,164,843	6,462,647	6,164,843
Storm water	-	-	608,798	656,029	608,798	656,029
Total expenses	14,107,660	13,481,719	7,071,445	6,820,872	21,179,105	20,302,591
Change in net position	6,100,744	2,158,852	8,715,108	3,756,572	14,815,852	5,915,424
Net position-beginning, restated *	23,775,148	21,616,296	37,971,569	34,214,997	61,746,717	55,831,293
Net position-ending	\$ 29,875,892	\$ 23,775,148	\$ 46,686,677	\$ 37,971,569	\$ 76,562,569	\$ 61,746,717

MANAGEMENT'S DISCUSSION AND ANALYSIS

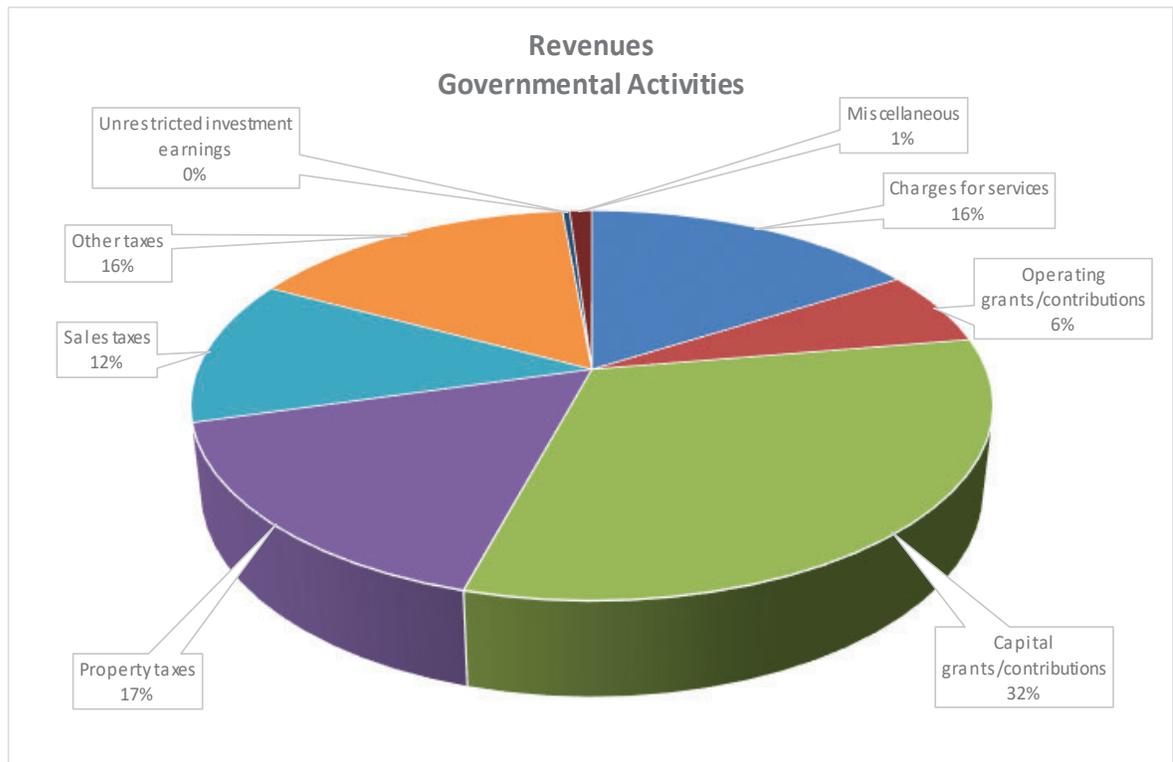
Governmental activities:

The City's governmental activities revenues increased \$4.6 million from 2019 to 2020 and consists of:

- Property taxes reflected a \$198 thousand increase. Real and personal property tax increased by \$140 thousand which is an indication of the continued growth and demand for home construction in Richmond Hill. The significant decrease in this category came from the title ad valorem tax ("TAVT") which had a decrease of \$49 thousand. TAVT is a tax that is paid every time a vehicle ownership is transferred or a new resident registers the vehicle in Georgia for the first time.
- Sales tax increased by \$264 thousand or 12.2% from the prior year which is a clear indication of a strong local economy.
- Other taxes registered a decrease of \$81 thousand from the prior year. All taxes in this category increased except business and occupation tax which had a small decrease of \$10 thousand and hotel/motel taxes which had a significant decrease of \$213 thousand. This was attributable to the COVID-19 pandemic and the restrictions on travel.
- Miscellaneous revenues decreased by \$199 thousand. The City had a significant amount of insurance reimbursements in 2019.
- Operating grants and contributions increase significantly due to the receipt of the Cares Act funding in the amount of \$724 thousand. The federal funds were used to assist local governments with COVID-19 related costs. Also, the City received a staffing for adequate fire and emergency response grant for qualifying staff.
- One of the most significant areas of increase was in capital grants and contributions. SPLOST from the County accounted for \$272 thousand of the increase and the TSPLOST accounted for another \$1.28 million. Developer conveyance of infrastructure such as streets and right of ways increased this revenue stream by \$1.95 million in 2020.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City is fortunate to have a strong and diversified revenue base which helps create consistency during a changing revenue environment. The following chart provides the percentage of revenue by category for the City's governmental activities.

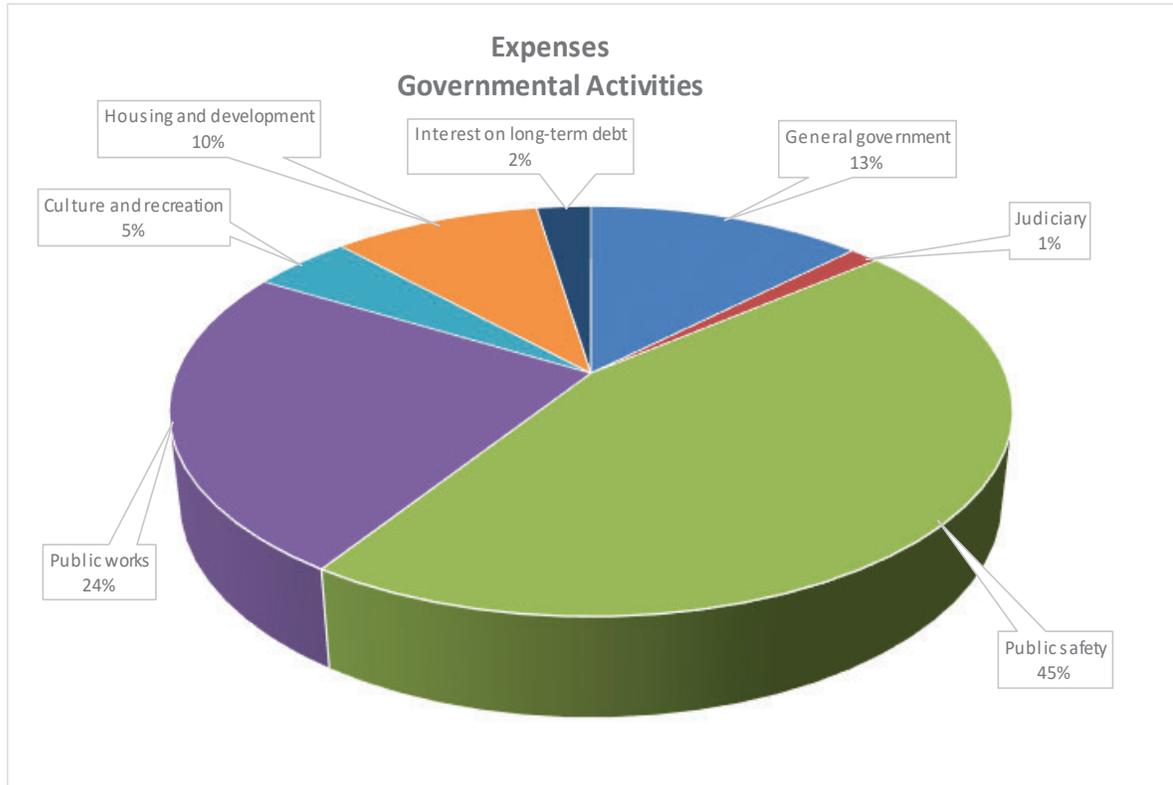


The City's expenses cover a broad range of services. The largest expenses were for public safety and public works. The overall increase in the governmental activities expenses for the year totaled \$626 thousand or a 4.64% increase. This increase is due to the following:

- Public safety reflects an increase of \$350 thousand. The increase is primarily in the fire department's salary and benefit cost. This increase is linked to additional cost incurred during the COVID-19 pandemic.
- Public works also had an increase of \$192 thousand. Sanitation charges for pickup of residents' trash experienced a rate increase in the latter part of 2020 and the number of customers increased during the year. Also, repairs and maintenance cost associated with street repairs had a significant increase during 2020.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following chart provides the percentage of expenses by function for the City's governmental activities.



Business Type activities:

The City's business-type activities revenues increased \$5.2 million from 2019 to 2020 and consists of:

- Charges for services had a slight decrease of \$129 thousand from the prior year. Fluctuations in water consumption which is dependent on rainfall is expected. The overall decrease in water and sewer charges was \$55 thousand or .8%. Tap fees decreased \$76 thousand which is consistent with the decrease in connection fees. There were less permits issued in 2020 than in 2019. Convenience fees for making payments with credit cards dropped \$53 thousand. The City adopted a policy to waive convenience fees to encourage customers to pay on line instead of coming to City offices to make payments during the stay-at-home order due to COVID-19.
- Capital grants and contributions had a significant increase of \$5.6 million or a 235.4%. As explained with the tap fees above, connection fees decreased \$492 thousand from the prior year. However, several subdivisions water, sewer and stormwater infrastructure were conveyed to the City during 2020 resulting in an increase of \$6.1 million.
- Miscellaneous revenues decreased \$330 thousand. The 2019 miscellaneous revenue included a sales tax refund from the Georgia Department of Revenue in the amount of \$330 thousand. This revenue stream was a one-time revenue.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The overall increase in the business-type activities expenses for the year totaled \$251 thousand or a 3.67% increase. This increase is due to the following:

- The stormwater activity expenses had a slight decrease of \$47 thousand. The significant decrease in this activity was from the operations contract.
- The water and sewer activity expenses increased \$298 thousand. The areas of increase was in repairs and maintenance and general supplies. With aging infrastructure, additional repairs were anticipated for 2020.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City utilizes fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds:

Governmental funds provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of fiscal year 2020. The governmental fund types include the general fund, special revenues, and capital projects. The General, Fire, SPLOST and TSPLOST funds are the City's major funds.

All nonmajor funds of each governmental fund type with legally adopted annual budgets are included in the Schedule of Revenue, Expenditures and Changes in Fund Balance – Budget and Actual, which can be found in the Combining Individual Fund Statements and Schedules section. The General Fund and Major Special Revenue Fund Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual is included in the financial statements.

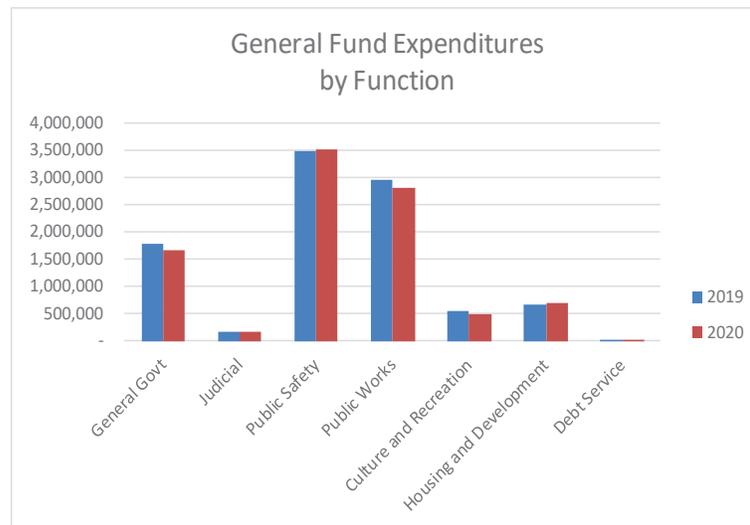
The General Fund is the chief operating fund of the City. At December 31, 2020, the unassigned fund balance in the General Fund was \$7,631,599, an increase of \$1,337,992 from 2019. The General Fund's total fund balance was \$7,830,900. The General Fund's fund balance is strong, with funds available to support over nine months of operating expenses. As of December 31, 2020, the City's governmental funds reported combined fund balances of \$10,347,910. The restricted fund balance totals \$3,192,626 and represents funds set aside primarily for capital projects.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Key factors affecting changes in major funds and fund balance in fiscal year 2020 operations are as follows:

General Fund:

- General Fund revenues increased \$897 thousand. A majority of the increase can be attributable to the City receiving \$724 thousand from the Cares Act for COVID-19 relief. Property tax account for 27.6% of revenues and increased by \$142 thousand, 4.7% increase over the previous year. The millage rate for the City remained the same from fiscal year 2019 to 2020 at 4.132. Local option sales tax account for 21.3% of revenues and increased by \$264 thousand, a 12.2% increase over the previous year. Two revenue sources were significantly impacted by the COVID-19 pandemic. Fines and forfeitures decreased \$221 thousand, 30.4% decrease under the previous year. The other decrease was in the other financing source category. The transfer in from Hotel/Motel Tax Fund decreased \$92 thousand, 25.0% decreased under the previous year.
- General Fund expenditures decreased \$231 thousand from the prior year. The decreases are attributable to the City's departments making efforts to reduce spending due to the uncertainty of how the pandemic was going to affect the City's revenue streams. As discussed above, some revenue streams were not impacted where as others were impacted significantly. The significant functions that showed decreases were General Government, Public Works and Culture and Recreation. The following chart compares 2019 to 2020 expenditures by function.



Fire Fund:

- The Fire Fund is a new fund for 2020. In prior years, the fire department was accounted for in the General Fund. For comparison purposes, the General Fund 2019 amounts were adjusted to reflect the reclassification of the fire department to the Fire Fund.
- Fire Fund revenues increased \$312 thousand from the prior year. This is attributable to an 8.65% or \$87 thousand increase in fire fees. The major revenue increase was in grants received from the federal government for staffing in the amount of \$204 thousand.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Fire Fund expenditures increased \$349 thousand. The increase is due to increase in salaries and benefit cost. Even though the number of personnel only increased by one position, the fire department had to have firefighters cover additional shifts due to the COVID-19 outbreak which caused an increase in salary cost of approximately \$220 thousand. Also, benefit cost for health insurance increased \$110 thousand.

SPLOST Fund:

- SPLOST is funded by a special purpose local option sales tax that is assessed by the County and through an intergovernmental agreement these funds are distributed to the various municipalities within the County. The revenues increased \$272 thousand, 12.4% over the prior year.
- Expenditures in this fund are expected to fluctuate year to year based on the planned projects for the current year. Expenditures increased in 2020 by \$1.3 million. The increase is associated with the purchase of a ladder fire truck and construction of a temporary fire station. Also, there were increased project costs for drainage and road projects as well as increased debt service payments.

TSPLOST Fund:

- TSPLOST is funded by a transportation special purpose local option sales tax that is assessed by the County and through an intergovernmental agreement these funds are distributed to the various municipalities within the County. The revenues increased \$1.3 million, 184% over the prior year.
- Expenditures in this fund are expected to fluctuate year to year based on the planned projects for the current year. Expenditures increased in 2020 by \$4.6 million. The increase is associated with the Great Ogeechee Parkway. This project was in the initial stage of the project in 2019 and a majority of the construction cost was incurred in the current fiscal year.

Proprietary Funds:

Proprietary fund statements provide the same information as the business activities column of the government-wide statements, only in greater detail. The City currently utilizes a water and sewer enterprise fund and a stormwater utility enterprise fund in the proprietary fund financial statements. The water and sewer fund is the only major enterprise fund reported. An enterprise fund is required to be used to account for the operations for which a fee is charged to external users for goods or services.

Water and Sewer Fund:

- Total net position had a positive change in the amount of \$7,680,134 in 2020. The total net position was \$41,985,188. As explained previously, the majority of the increase was from capital contributions through connection fees and conveyance of systems of developers to the City.

BUDGETARY HIGHLIGHTS

The budgetary comparison statement of the General Fund and Fire Fund can be found on pages 24 and 25. Additional budgetary comparison schedules of the non-major special revenue funds can be found within other supplementary information found on pages 65 – 68. Budget columns are provided for both the original budget adopted for calendar year 2020 as well as the final budget. A column for actual revenues, expenditures, and a column for any variance between final budget and actual are also provided.

MANAGEMENT'S DISCUSSION AND ANALYSIS

General Fund:

- Taxes which include property taxes, sales tax, occupation tax, franchise fee tax, etc. exceed the budget by \$543 thousand. Intergovernmental revenues exceeded budget by \$908 thousand. The total revenues and other financing sources recorded for this calendar year were \$11,747,880 which exceeded the budget by \$1.1 million.
- Expenditures, debt service and transfers out totaled \$10,233,053, which was slightly less than the original budget by 2% or \$397 thousand. As mentioned previously, these budgetary savings resulted from the strong efforts toward cost reductions by all departments.
- The net effect of the budget amendments for the General Fund resulted in an increase of \$183 thousand. The public works (streets department) accounted for a majority of this increase. The amendments for the Streets department were due to higher than expected repairs and supplies costs.

Fire Fund:

- Fire fees exceed the budget by \$187 thousand. Intergovernmental revenues (grants) were under budget by \$56 thousand. The total revenues and other financing sources recorded for this calendar year were \$2,116,087 which exceeded the budget by \$509.
- Expenditures totaled \$2,106,579, which was slightly over the original budget by 2% or \$46 thousand.
- The net effect of the budget amendments for the Fire Fund resulted in an increase of \$55 thousand. This was in the salaries and benefits area.

CAPITAL ASSETS

The Statement of Net Position presents capital assets in two groups: those assets subject to depreciation, such as equipment or operational facilities and those assets not subject to depreciation such as land and construction-in-progress. At December 31, 2020, the City's capital assets for both governmental activities and business-type activities totaled \$87,846,345. Capital assets include assets purchased and donated, land, buildings, system improvements and machinery and equipment. Capital assets increased approximately \$14.3 million in 2020 due to infrastructure systems conveyed to the City, construction of the Great Ogeechee Parkway and construction of water and sewer systems in the newly annexed area of the City.

Additional information on the City's capital assets can be found starting on page 45.

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land and rights of way	\$ 4,233,077	\$ 3,738,077	\$ 1,100,329	\$ 1,100,329	\$ 5,333,406	\$ 4,838,406
Construction in progress	4,296,636	528,069	6,891,444	3,154,751	11,188,080	3,682,820
Buildings and improvements	10,757,779	10,694,761	124,464	124,464	10,882,243	10,819,225
Machinery and equipment	7,587,210	7,257,842	993,222	963,574	8,580,432	8,221,416
Plant and systems	-	-	61,731,383	57,349,271	61,731,383	57,349,271
Infrastructure	16,348,036	14,095,846	-	-	16,348,036	14,095,846
Less accumulated depreciation	<u>(12,763,679)</u>	<u>(12,069,137)</u>	<u>(13,453,556)</u>	<u>(13,416,749)</u>	<u>(26,217,235)</u>	<u>(25,485,886)</u>
Total	<u>\$ 30,459,059</u>	<u>\$ 24,245,458</u>	<u>\$ 57,387,286</u>	<u>\$ 49,275,640</u>	<u>\$ 87,846,345</u>	<u>\$ 73,521,098</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

DEBT ADMINISTRATION

The long-term debt at December 31, 2020 totaled \$37,336,230. Of this amount, \$27,238,230 relates to the business-type activities and \$10,098,000 relates to the government-type activities.

Long-term debt of the business type activities increased in 2020 compared to 2019 levels due to the issuance of new GEFA loans and a capital lease. Governmental activity related debt decreased due to the normal principal retirement. The only new debt was for a fire ladder truck through a capital lease. Additional information on the City's debt can be found starting on page 47.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2020</u>	2019	<u>2020</u>	2019	<u>2020</u>	2019
Bonds payable	\$ 4,510,213	\$ 5,047,564	\$ -	\$ -	\$ 4,510,213	\$ 5,047,564
Notes payable	475,322	527,186	-	-	475,322	527,186
Intergovernmental payable	3,545,000	4,650,000	-	-	3,545,000	4,650,000
Capital leases	1,567,465	867,344	152,976	-	1,720,441	867,344
Refunding bonds	-	-	1,394,933	1,599,055	1,394,933	1,599,055
GEFA loans	-	-	25,690,321	23,784,810	25,690,321	23,784,810
Total	<u>\$ 10,098,000</u>	<u>\$ 11,092,094</u>	<u>\$ 27,238,230</u>	<u>\$ 25,383,865</u>	<u>\$ 37,336,230</u>	<u>\$ 36,475,959</u>

ECONOMIC FACTORS, NEXT YEAR'S BUDGETS AND RATES

The City continues to adopt conservative budgets in 2021 to address the challenges in a changing revenue environment. A modest growth is expected in 2021 General Fund revenues with continued growth in development. The overall revenue picture is enhanced by Richmond Hill's diversified revenue base as noted previously. The City of Richmond Hill continues to expand infrastructure to encourage residential and commercial economic development. In addition, a major tract (5,000 + acres) was annexed into the Richmond Hill city limits in 2017 that will bring residential, commercial, and industrial growth to the area. Infrastructure projects are in process to provide water, sewer, roads, and reuse water to the site. The City is in the completion phase of the Great Ogeechee Parkway along with the completion of the I-95 and Belfast Keller interchange which will bring additional commercial businesses to the Belfast Commerce Center. New residential development is also planned along the Parkway.

Management believes the potential challenges to the fiscal health of Richmond Hill can be met by controlling spending on a City-wide basis. In addition, revenues and expenses in the water and sewer enterprise fund will be carefully monitored to ensure the operating costs are covered, and adequate debt service coverage is maintained. The City intends to maintain the water and sewer rates at their current level for 2021, but will continue to monitor the situation on a monthly basis. It is imperative to achieve the minimum debt service coverage requirements required by creditors.

Richmond Hill has maintained the same millage rate for the past several years by carefully monitoring spending and having a diversified revenue base. Expenditures will continue to be monitored closely as the City grows. In summary, the strong financial reserves built by the City in past years, along with prudent financial management, will help us to absorb the expected changes in the economic environment.

MANAGEMENT'S DISCUSSION AND ANALYSIS

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview for the governmental operations of the City of Richmond Hill. It is designed for anyone with an interest in our government's finances and management. Questions concerning any of the information provided in this report or requests for additional information may be addressed to the City of Richmond Hill, Finance Director, P.O. Box 250, Richmond Hill, Georgia, 31324.

CITY OF RICHMOND HILL, GEORGIA

**STATEMENT OF NET POSITION
DECEMBER 31, 2020**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Convention and Visitor's Bureau
ASSETS				
Cash and cash equivalents	\$ 9,705,852	\$ 11,323,609	\$ 21,029,461	\$ 32,014
Restricted cash	127,624	4,226,171	4,353,795	-
Receivables, net of allowance:				
Taxes	112,318	-	112,318	-
Accounts	981,843	766,206	1,748,049	-
Due from primary government	-	-	-	26,524
Due from other governments	2,700,675	-	2,700,675	-
Notes receivable	-	1,946,075	1,946,075	-
Capital assets:				
Non-depreciable	8,529,713	7,991,773	16,521,486	-
Depreciable, net of accumulated depreciation	21,929,346	49,395,513	71,324,859	-
Total assets	<u>44,087,371</u>	<u>75,649,347</u>	<u>119,736,718</u>	<u>58,538</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension	1,431,704	95,276	1,526,980	17,531
Total deferred outflows of resources	<u>1,431,704</u>	<u>95,276</u>	<u>1,526,980</u>	<u>17,531</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 45,519,075</u>	<u>\$ 75,744,623</u>	<u>\$ 121,263,698</u>	<u>\$ 76,069</u>
LIABILITIES				
Accounts payable	\$ 1,217,389	\$ 1,602,243	\$ 2,819,632	\$ 988
Accrued liabilities	91,803	36,219	128,022	-
Due to component unit	26,524	-	26,524	-
Customer deposits	108,819	-	108,819	-
Accrued interest payable	41,309	-	41,309	-
Unearned revenue	1,749,242	-	1,749,242	-
Non-current liabilities				
Due within one year	2,138,447	1,574,837	3,713,284	-
Due in more than one year	8,138,452	25,689,932	33,828,384	-
Net pension liability - due in more than one year	1,820,475	130,010	1,950,485	24,117
Total liabilities	<u>15,332,460</u>	<u>29,033,241</u>	<u>44,365,701</u>	<u>25,105</u>
DEFERRED INFLOWS OF RESOURCES				
Pension	310,723	24,705	335,428	2,408
Total deferred inflows of resources	<u>310,723</u>	<u>24,705</u>	<u>335,428</u>	<u>2,408</u>
NET POSITION				
Net investment in capital assets	20,361,059	30,149,056	50,510,115	-
Restricted for:				
Public safety	148,950	-	148,950	-
Housing and development	309,779	-	309,779	48,556
Capital projects	2,733,897	4,226,171	6,960,068	-
Unrestricted	6,322,207	12,311,450	18,633,657	-
Total net position	<u>29,875,892</u>	<u>46,686,677</u>	<u>76,562,569</u>	<u>48,556</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 45,519,075</u>	<u>\$ 75,744,623</u>	<u>\$ 121,263,698</u>	<u>\$ 76,069</u>

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

CITY OF RICHMOND HILL, GEORGIA

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Convention and Visitor's Bureau
Governmental activities:								
General government	\$ 1,785,708	\$ -	\$ -	\$ -	\$ (1,785,708)	\$ -	\$ (1,785,708)	\$ -
Judicial	186,728	-	-	-	(186,728)	-	(186,728)	-
Public safety	6,385,460	1,695,230	1,134,309	-	(3,555,921)	-	(3,555,921)	-
Public works	3,411,660	1,120,034	117,636	6,445,873	4,271,883	-	4,271,883	-
Culture and recreation	644,457	1,505	-	-	(642,952)	-	(642,952)	-
Housing and development	1,344,037	459,102	-	-	(884,935)	-	(884,935)	-
Interest and fees	349,610	-	-	-	(349,610)	-	(349,610)	-
Total governmental activities	<u>\$ 14,107,660</u>	<u>\$ 3,275,871</u>	<u>\$ 1,251,945</u>	<u>\$ 6,445,873</u>	<u>(3,133,971)</u>	<u>-</u>	<u>(3,133,971)</u>	<u>-</u>
Business-type activities:								
Water and Sewer Utilities	\$ 6,462,647	\$ 7,191,210	\$ -	\$ 6,920,560	-	7,649,123	7,649,123	-
Storm Water Utility	608,798	569,979	-	1,073,793	-	1,034,974	1,034,974	-
Total business-type activities	<u>\$ 7,071,445</u>	<u>\$ 7,761,189</u>	<u>\$ -</u>	<u>\$ 7,994,353</u>	<u>-</u>	<u>8,684,097</u>	<u>8,684,097</u>	<u>-</u>
Component unit:								
Convention and Visitor's Bureau	<u>\$ 252,010</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(252,010)</u>
General revenue:								
Taxes:								
Property taxes					3,305,869	-	3,305,869	-
Sales taxes					2,437,245	-	2,437,245	-
Other taxes					3,206,650	-	3,206,650	185,429
Unrestricted investment earnings					69,064	31,011	100,075	138
Miscellaneous revenues					215,887	-	215,887	966
Total general revenues and transfers					<u>9,234,715</u>	<u>31,011</u>	<u>9,265,726</u>	<u>186,533</u>
Change in net position					6,100,744	8,715,108	14,815,852	(65,477)
Net position, beginning of year					23,775,148	37,971,569	61,746,717	114,033
Net position, end of year					<u>\$ 29,875,892</u>	<u>\$ 46,686,677</u>	<u>\$ 76,562,569</u>	<u>\$ 48,556</u>

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

CITY OF RICHMOND HILL, GEORGIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	<u>General Fund</u>	<u>Fire Department Fund</u>	<u>SPLOST VII Fund</u>	<u>TSPLOST Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 6,848,414	\$ 21,795	\$ 2,227,974	\$ 228,415	\$ 379,254	\$ 9,705,852
Receivables, net of allowance:						
Taxes	112,318	-	-	-	-	112,318
Accounts	898,524	35,058	-	-	48,261	981,843
Due from other governments	390,634	89,825	470,974	1,749,242	-	2,700,675
Due from other funds	52,592	-	-	-	21,556	74,148
Restricted cash	127,624	-	-	-	-	127,624
Total assets	\$ 8,430,106	\$ 146,678	\$ 2,698,948	\$ 1,977,657	\$ 449,071	\$ 13,702,460
LIABILITIES						
Accounts payable	\$ 353,722	\$ 57,789	\$ 69,263	\$ 704,730	\$ 31,885	\$ 1,217,389
Accrued salaries and related liabilities	69,785	22,018	-	-	-	91,803
Unearned revenue	-	-	-	1,749,242	-	1,749,242
Due to component unit	-	-	-	-	26,524	26,524
Due to other funds	-	-	13,424	-	60,724	74,148
Deposits payable	108,819	-	-	-	-	108,819
Total liabilities	532,326	79,807	82,687	2,453,972	119,133	3,267,925
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	66,880	-	-	-	-	66,880
Unavailable revenue - fire fees	-	19,745	-	-	-	19,745
Total deferred inflows of resources	66,880	19,745	-	-	-	86,625
FUND BALANCE						
Restricted for:						
Public safety	81,665	47,126	-	-	20,159	148,950
Housing and development	-	-	-	-	309,779	309,779
Capital projects	117,636	-	2,616,261	-	-	2,733,897
Unassigned	7,631,599	-	-	(476,315)	-	7,155,284
Total fund balances (deficit)	7,830,900	47,126	2,616,261	(476,315)	329,938	10,347,910
Total liabilities, deferred inflows of resources, and fund balances (deficit)	\$ 8,430,106	\$ 146,678	\$ 2,698,948	\$ 1,977,657	\$ 449,071	\$ 13,702,460

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

CITY OF RICHMOND HILL, GEORGIA

**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2020**

Total governmental fund balances:	\$	10,347,910
<p>Amounts reported for governmental activities in the statement of net position are different because of the following:</p> <p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the government funds:</p>		
Cost of assets	\$	43,222,738
Accumulated depreciation		<u>(12,763,679)</u>
		30,459,059
<p>Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the funds.</p>		
		86,625
<p>Deferred outflows of resources related to the recording of the net pension liability are recognized as expense over time and, therefore, are not reported in the funds.</p>		
		1,431,704
<p>Deferred inflows of resources related to the recording of the net pension liability do not consume current financial resources and are therefore, not reported in the funds.</p>		
		(310,723)
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.</p>		
Capital leases payable	\$	(1,567,465)
Bonds payable		(4,510,213)
Notes payable		(475,322)
Intergovernmental payable		(3,545,000)
Net pension liability		(1,820,475)
Compensated absences payable		(178,899)
Accrued interest payable		<u>(41,309)</u>
		<u>(12,138,683)</u>
Net position of governmental activities	\$	<u>29,875,892</u>

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

CITY OF RICHMOND HILL, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	General Fund	Fire Department Fund	SPLOST VII Fund	TSPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 8,228,383	\$ -	\$ -	\$ -	\$ 647,312	\$ 8,875,695
Licenses and permits	538,407	-	-	-	-	538,407
Intergovernmental revenues	1,048,319	203,626	2,464,293	1,973,834	-	5,690,072
Charges for services	1,036,285	1,092,023	-	-	-	2,128,308
Fines and forfeitures	508,003	-	-	-	15,242	523,245
Interest income	68,292	256	15,357	12,481	516	96,902
Miscellaneous	43,733	22,154	-	-	150,000	215,887
Total revenues	<u>11,471,422</u>	<u>1,318,059</u>	<u>2,479,650</u>	<u>1,986,315</u>	<u>813,070</u>	<u>18,068,516</u>
Expenditures						
Current:						
General government	1,671,990	-	-	-	-	1,671,990
Judicial	181,923	-	-	-	-	181,923
Public safety	3,514,528	2,106,579	-	-	21,608	5,642,715
Public works	2,824,519	-	-	-	-	2,824,519
Culture and recreation	510,712	-	-	-	-	510,712
Housing and development	691,312	-	-	-	441,039	1,132,351
Capital outlay	-	-	2,145,082	3,456,441	-	5,601,523
Debt service:						
Principal retirement	35,457	-	717,637	1,105,000	-	1,858,094
Interest	4,584	-	193,294	159,185	-	357,063
Total expenditures	<u>9,435,025</u>	<u>2,106,579</u>	<u>3,056,013</u>	<u>4,720,626</u>	<u>462,647</u>	<u>19,780,890</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,036,397</u>	<u>(788,520)</u>	<u>(576,363)</u>	<u>(2,734,311)</u>	<u>350,423</u>	<u>(1,712,374)</u>
Other Financing Sources (Uses)						
Capital leases	-	-	864,000	-	-	864,000
Transfers in	276,458	798,028	-	-	185,425	1,259,911
Transfers out	(798,028)	-	-	-	(461,883)	(1,259,911)
Total other financing sources (uses)	<u>(521,570)</u>	<u>798,028</u>	<u>864,000</u>	<u>-</u>	<u>(276,458)</u>	<u>864,000</u>
Net change in fund balances	1,514,827	9,508	287,637	(2,734,311)	73,965	(848,374)
Fund balances, beginning of year, as restated	<u>6,316,073</u>	<u>37,618</u>	<u>2,328,624</u>	<u>2,257,996</u>	<u>255,973</u>	<u>11,196,284</u>
Fund balances (deficit), end of year	<u>\$ 7,830,900</u>	<u>\$ 47,126</u>	<u>\$ 2,616,261</u>	<u>\$ (476,315)</u>	<u>\$ 329,938</u>	<u>\$ 10,347,910</u>

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

CITY OF RICHMOND HILL, GEORGIA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

Net change in fund balances - total governmental funds	\$	(848,374)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.</p>		
Capital outlay	\$	7,744,179
Depreciation expense		<u>(1,443,459)</u>
		6,300,720
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.</p>		
		(87,120)
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Fire fees deferred at December 31, 2020	\$	19,745
Property taxes deferred at December 31, 2020		66,880
Property taxes deferred at December 31, 2019		<u>(91,861)</u>
		(5,236)
<p>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 position. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
Capital lease proceeds	\$	(864,000)
Principal payments - notes payable		51,864
Principal payments - bonds payable		537,351
Principal payments - capital leases payable		163,879
Principal payments - intergovernmental payable		<u>1,105,000</u>
		994,094
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Compensated absences	\$	(20,553)
Net pension liability, net of pension related deferred outflows and inflows of resources		(240,240)
Accrued interest		<u>7,453</u>
		<u>(253,340)</u>
Change in net position of governmental activities	\$	<u><u>6,100,744</u></u>

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

CITY OF RICHMOND HILL, GEORGIA

GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GAAP BASIS FOR THE YEAR ENDED DECEMBER 31, 2020

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 7,502,000	\$ 7,685,000	\$ 8,228,383	\$ 543,383
Licenses and permits	383,000	383,000	538,407	155,407
Intergovernmental revenues	140,000	140,000	1,048,319	908,319
Charges for services	1,093,107	1,093,107	1,036,285	(56,822)
Fines and forfeitures	755,000	755,000	508,003	(246,997)
Interest income	150,000	150,000	68,292	(81,708)
Miscellaneous	60,000	60,000	43,733	(16,267)
Total revenues	<u>10,083,107</u>	<u>10,266,107</u>	<u>11,471,422</u>	<u>1,205,315</u>
Expenditures				
Current				
General government:				
City council	92,000	80,000	65,277	14,723
General administration	1,126,000	1,101,000	1,024,656	76,344
Finance department	340,000	325,000	316,838	8,162
General government buildings	71,000	46,000	32,663	13,337
Human resources	210,312	240,312	232,556	7,756
Judicial:				
Municipal Court	187,651	187,651	181,923	5,728
Public safety:				
Police department	3,611,676	3,571,676	3,508,853	62,823
Custody of prisoners	30,000	30,000	5,675	24,325
Public works:				
Streets	1,587,000	1,797,000	1,791,877	5,123
Sanitation	950,000	1,035,000	1,032,642	2,358
Culture and recreation:				
Park	535,282	525,282	510,712	14,570
Housing and development:				
Planning and zoning	718,333	703,333	691,312	12,021
Debt service:				
Principal retirement	33,500	33,500	35,457	(1,957)
Interest	4,500	4,500	4,584	(84)
Total expenditures	<u>9,497,254</u>	<u>9,680,254</u>	<u>9,435,025</u>	<u>245,229</u>
Excess of revenues over expenditures	<u>585,853</u>	<u>585,853</u>	<u>2,036,397</u>	<u>1,450,544</u>
Other financing sources (uses)				
Transfers in	364,225	364,225	276,458	(87,767)
Transfers out	(950,078)	(950,078)	(798,028)	152,050
Total other financing sources (uses)	<u>(585,853)</u>	<u>(585,853)</u>	<u>(521,570)</u>	<u>64,283</u>
Net change in fund balances	-	-	1,514,827	1,514,827
Fund balance, beginning of year, as restated	<u>6,316,073</u>	<u>6,316,073</u>	<u>6,316,073</u>	<u>-</u>
Fund balance, end of year	<u>\$ 6,316,073</u>	<u>\$ 6,316,073</u>	<u>\$ 7,830,900</u>	<u>\$ 1,514,827</u>

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

CITY OF RICHMOND HILL, GEORGIA

**FIRE DEPARTMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GAAP BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 260,000	\$ 260,000	\$ 203,626	\$ (56,374)
Charges for services	850,500	905,500	1,092,023	186,523
Interest income	-	-	256	256
Miscellaneous	-	-	22,154	22,154
Total revenues	<u>1,110,500</u>	<u>1,165,500</u>	<u>1,318,059</u>	<u>152,559</u>
Expenditures				
Current				
Public safety	<u>2,060,578</u>	<u>2,115,578</u>	<u>2,106,579</u>	<u>8,999</u>
Total expenditures	<u>2,060,578</u>	<u>2,115,578</u>	<u>2,106,579</u>	<u>8,999</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(950,078)</u>	<u>(950,078)</u>	<u>(788,520)</u>	<u>161,558</u>
Other financing sources				
Transfers in	<u>950,078</u>	<u>950,078</u>	<u>798,028</u>	<u>(152,050)</u>
Total other financing sources	<u>950,078</u>	<u>950,078</u>	<u>798,028</u>	<u>(152,050)</u>
Net change in fund balances	-	-	9,508	9,508
Fund balance, beginning of year, as restated	<u>37,618</u>	<u>37,618</u>	<u>37,618</u>	<u>-</u>
Fund balance, end of year	<u>\$ 37,618</u>	<u>\$ 37,618</u>	<u>\$ 47,126</u>	<u>\$ 9,508</u>

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

CITY OF RICHMOND HILL, GEORGIA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2020**

	<u>Water and Sewer Fund</u>	<u>Stormwater Utility Fund</u>	<u>Total Enterprise Funds</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 11,037,856	\$ 285,753	\$ 11,323,609
Accounts receivable, net of allowance	715,735	50,471	766,206
Note receivable, current portion	46,190	-	46,190
Restricted cash	4,226,171	-	4,226,171
Total current assets	<u>16,025,952</u>	<u>336,224</u>	<u>16,362,176</u>
NON-CURRENT ASSETS			
Long-term receivable	1,899,885	-	1,899,885
Capital assets			
Non-depreciable	7,991,773	-	7,991,773
Depreciable, net of accumulated depreciation	44,654,691	4,740,822	49,395,513
Total non-current assets	<u>54,546,349</u>	<u>4,740,822</u>	<u>59,287,171</u>
Total assets	<u>70,572,301</u>	<u>5,077,046</u>	<u>75,649,347</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension	95,276	-	95,276
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	1,379,662	222,581	1,602,243
Accrued liabilities	36,219	-	36,219
Current portion of compensated absences	14,066	-	14,066
Current portion of notes payable	1,321,117	-	1,321,117
Current portion of capital leases	-	30,494	30,494
Current portion of bonds payable	209,160	-	209,160
Total current liabilities	<u>2,960,224</u>	<u>253,075</u>	<u>3,213,299</u>
NON-CURRENT LIABILITIES			
Compensated absences	12,473	-	12,473
Notes payable	24,369,204	-	24,369,204
Capital leases	-	122,482	122,482
Bonds payable	1,185,773	-	1,185,773
Net pension liability	130,010	-	130,010
Total non-current liabilities	<u>25,697,460</u>	<u>122,482</u>	<u>25,819,942</u>
Total liabilities	<u>28,657,684</u>	<u>375,557</u>	<u>29,033,241</u>
DEFERRED INFLOWS OF RESOURCES			
Pension	24,705	-	24,705
NET POSITION			
Net investment in capital assets	25,561,210	4,587,846	30,149,056
Restricted for:			
Capital projects	4,226,171	-	4,226,171
Unrestricted	12,197,807	113,643	12,311,450
Total net position	<u>\$ 41,985,188</u>	<u>\$ 4,701,489</u>	<u>\$ 46,686,677</u>

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

CITY OF RICHMOND HILL, GEORGIA

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020**

	Water and Sewer Fund	Stormwater Utility Fund	Enterprise Funds
OPERATING REVENUE			
Charges for services	\$ 7,163,739	\$ 569,979	\$ 7,733,718
Miscellaneous	27,471	-	27,471
Total operating revenues	<u>7,191,210</u>	<u>569,979</u>	<u>7,761,189</u>
OPERATING EXPENSES			
Cost of sales and services	4,857,205	463,157	5,320,362
Depreciation	1,373,500	145,135	1,518,635
Total operating expenses	<u>6,230,705</u>	<u>608,292</u>	<u>6,838,997</u>
Operating income (loss)	<u>960,505</u>	<u>(38,313)</u>	<u>922,192</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest income	31,011	-	31,011
Interest expense	(231,942)	(506)	(232,448)
Total non-operating expenses, net	<u>(200,931)</u>	<u>(506)</u>	<u>(201,437)</u>
Income (loss) before contributions	759,574	(38,819)	720,755
CAPITAL CONTRIBUTIONS	<u>6,920,560</u>	<u>1,073,793</u>	<u>7,994,353</u>
Net change in net position	7,680,134	1,034,974	8,715,108
Net position, beginning of year	<u>34,305,054</u>	<u>3,666,515</u>	<u>37,971,569</u>
Net position, end of year	<u>\$ 41,985,188</u>	<u>\$ 4,701,489</u>	<u>\$ 46,686,677</u>

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

CITY OF RICHMOND HILL, GEORGIA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Water and Sewer Fund	Stormwater Utility Fund	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 5,413,174	\$ 557,108	\$ 5,970,282
Cash paid to suppliers	(3,734,542)	(250,924)	(3,985,466)
Cash paid to employees	(447,294)	-	(447,294)
Net cash provided by operating activities	<u>1,231,338</u>	<u>306,184</u>	<u>1,537,522</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from the issuance of capital leases and notes	2,497,863	158,000	2,655,863
Acquisition and construction of capital assets	(7,032,857)	(1,295,986)	(8,328,843)
Capital contributions	6,920,560	1,073,793	7,994,353
Principal payments on debt	(796,475)	(5,024)	(801,499)
Interest payments on debt	(233,951)	(506)	(234,457)
Net cash provided by (used in) capital and related financing activities	<u>1,355,140</u>	<u>(69,723)</u>	<u>1,285,417</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest earned on investments	<u>31,011</u>	<u>-</u>	<u>31,011</u>
Net cash provided by investing activities	<u>31,011</u>	<u>-</u>	<u>31,011</u>
Net change in cash and cash equivalents	2,617,489	236,461	2,853,950
Cash and cash equivalents, beginning of year	<u>12,646,538</u>	<u>49,292</u>	<u>12,695,830</u>
Cash and cash equivalents, end of year	<u>\$ 15,264,027</u>	<u>\$ 285,753</u>	<u>\$ 15,549,780</u>
Cash and cash equivalents	\$ 11,037,856	\$ 285,753	\$ 11,323,609
Restricted cash	<u>4,226,171</u>	<u>-</u>	<u>4,226,171</u>
	<u>\$ 15,264,027</u>	<u>\$ 285,753</u>	<u>\$ 15,549,780</u>

(Continued)

CITY OF RICHMOND HILL, GEORGIA

**STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020**

	Water and Sewer Fund	Stormwater Utility Fund	Total Enterprise Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 960,505	\$ (38,313)	\$ 922,192
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	1,373,500	145,135	1,518,635
(Increase) decrease in:			
Accounts receivable	(189,877)	(12,871)	(202,748)
Long term receivable	(1,588,159)	-	(1,588,159)
Deferred outflows of resources - pension	(69,791)	-	(69,791)
Increase (decrease) in:			
Accounts payable	821,582	212,233	1,033,815
Accrued liabilities	4,403	-	4,403
Customer deposits	(174,411)	-	(174,411)
Compensated absences	3,930	-	3,930
Net pension liability	81,491	-	81,491
Deferred inflows of resources - pension	8,165	-	8,165
Net cash provided by operating activities	<u>\$ 1,231,338</u>	<u>\$ 306,184</u>	<u>\$ 1,537,522</u>

(Concluded)

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

CITY OF RICHMOND HILL, GEORGIA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Richmond Hill, Georgia (the “City”) have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City’s accounting policies are described below.

A. Reporting Entity

The City operates under the Mayor Council form of government with the Mayor and four council members comprising the governing body. As authorized by its Code of Ordinances, the City provides public safety (police and fire), municipal court, public works (streets and sanitation), water and sewer utilities, stormwater fees, zoning administration, licensing, and regulation and general administrative services to its constituents.

The accompanying financial statements present the primary government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government’s operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

Blended Component Units

Blended component units are separate legal entities that meet the component unit criteria described above. The Public Facilities Authority (“PFA”) of Richmond Hill was created for the purpose of promoting the public good and general welfare of the citizens of the City and of the state and financing and providing facilities, equipment and services within the City. The PFA is composed of the Mayor and City Council and, as such, the City appoints a voting majority and can impose its will on the PFA. The PFA issues debt for the City. The PFA did not have any transactions during the current year.

The Downtown Development Authority (“DDA”) of Richmond Hill was created for the purpose of the revitalization and redevelopment of the central business district of the City. The DDA develops and promotes for the public good and general welfare trade, commerce, industry and employment opportunities and promotes the general welfare of the City by creating a climate favorable to the location of new industry, trade and commerce and development of the existing industry, trade and commerce within the City. The DDA is composed of a seven-member board which is appointed as provided by state law. The City can impose its will on the DDA and provides 100% of its funding.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Discretely Presented Component Unit

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending. The Convention and Visitor's Bureau (the "Bureau") is a discretely presented component unit of the City. The Bureau is controlled and managed by a board of seven members appointed by the Mayor and Aldermen of the City. The Bureau's primary function is the promotion of tourism in the City. The City also is required to approve the Bureau's operating budget. A separate report has not been issued for the Bureau.

Membership in the Coastal Regional Commission

Under Georgia law, the City is a member of the Coastal Regional Commission ("CRC") and is required to pay annual dues thereto. During its year ended December 31, 2020, the City paid \$12,065 in such dues. Membership in a Regional Commission ("RC") is required by the Official Code of Georgia Annotated ("O.C.G.A.") §50-8-34 which provides for the organizational structure of the RC in Georgia. The CRC Board membership of 37 is as follows: Bryan - 3, Bulloch - 5, Camden - 4, Chatham - 5, Effingham - 4, Glynn - 5, Liberty - 5, Long - 3 and McIntosh - 3. O.C.G.A. §50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Management believes that the CRC is currently accumulating sufficient financial resources to meet its financial obligations. Separate financial statements may be obtained from:

Coastal Regional Commission
127 F Street
Brunswick, Georgia 31520

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements

Government-wide Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable, when applicable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Fund Financial Statements

The fund financial statements provide information about the government's funds. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and proprietary funds. All remaining governmental and proprietary funds are aggregated and reported as nonmajor funds. The City reports no nonmajor funds. Major individual governmental and proprietary funds are reported as separate columns in the fund financial statements.

Major Funds

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Fire Department Fund* is used to account for the activity of the Richmond Hill Fire Department.

The *SPLOST VII Fund* is used to account for the 1% Special Purpose Local Option Sales Tax ("SPLOST") funds collected by Bryan County and disbursed to the City. The funds are used for capital projects as approved by voter referendum.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (Continued)

Major Funds (Continued)

The *TSPLOST Fund* is used to account for collection of the transportation special purpose local option sales tax ("TSPLOST") funds collected by Bryan County and disbursed to the City. These funds are used for transportation projects as approved by voter referendum.

The City reports the following major proprietary funds:

The *Water and Sewer Fund* accounts for the operations and maintenance of the water and sewer distribution system owned by the City.

The *Stormwater Utility Fund* accounts for the collection of fees for upgrades to stormwater infrastructure and related expenses.

Nonmajor Funds

The City's nonmajor funds are special revenue funds. These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds, when applicable) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise fund) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In the fund financial statements, these amounts are reported at their gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured, such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements and proprietary funds 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. Property taxes are recognized as revenues in the year for which they are levied. Revenue from grants, entitlements and donations are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. State-levied locally shared taxes are recognized as revenue in the year appropriated by the state.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when 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. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues are considered to be measurable if the amount is known or reasonably estimable at year-end. The following revenue sources are deemed both measurable and available if collected within 60 days of year-end: delinquent property taxes, investment earnings, fines and forfeitures, state-levied locally shared taxes, insurance taxes, certain charges for services, and grant revenues for which all eligibility requirements imposed by the provider have been met. Permits, licenses, and miscellaneous revenues, although they may be available within 60 days of year-end are considered to be measurable only when cash is received by the City.

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. General capital asset acquisitions are reported as expenditures in the governmental fund.

Proceeds of general long-term debt and proceeds for acquisitions under capital leases are reported as other financing sources.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash and Cash Equivalents

The City considers all highly liquid investments (including restricted assets) with original maturities of three months or less when purchased and investments in the Georgia Local Government Investment Pool (“Georgia Fund 1”) to be cash equivalents. Securities with an initial maturity of more than three months (from when initially purchased) that are not purchased from the Georgia Fund 1 are reported as investments.

E. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either interfund receivables/payables, i.e., the current portion of interfund loans, or advances to/from other funds, i.e., the non-current portion of interfund loans. All other outstanding balances between funds are reported as due to/from other funds.

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

All trade and tax receivables are reported net of an allowance for the uncollectibles, where applicable. Unbilled water charges are accrued as receivables and revenue at December 31, 2020.

F. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets and infrastructure are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Assets with individual values under \$5,000 are considered capital assets if purchased in bulk and acquired by issuance of capital lease obligations. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their acquisition value at the date of donation.

General capital assets are those assets not specifically related to activities reported in the Proprietary Fund. These assets generally result from expenditures in the governmental fund. These assets are reported in the governmental activities column of the government-wide Statement of Net Position, but are not reported in the fund financial statements. Capital assets utilized by the Proprietary Fund are reported both in the business-type activities column of the government-wide Statement of Net Position and in the respective fund financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Capital Assets (Continued)

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction of governmental-type activities and business-type activities is not capitalized.

All reported capital assets except land and construction in progress are depreciated. Useful lives for infrastructure are estimated based on the City's historical records of necessary improvements and replacements. Depreciation is provided using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Utility plant and equipment	20 – 50
Buildings and improvements	20 – 50
Infrastructure and other structures	10 – 50
Machinery, equipment and vehicles	3 – 20

G. Deferred Outflows/Inflows of Resources

Deferred Outflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for *deferred outflows of resources*. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category, which are related to pension obligations as follows:

1. Pension contributions made subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the subsequent year.
2. The differences between expected and actual experience is amortized into pension expense beginning in the year the deferral occurs over a closed period equal to the average remaining service lives of all plan participants.
3. The net difference between the projected and actual earnings on pension plan investments which is deferred and amortized over a closed five-year period.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Deferred Outflows/Inflows of Resources (Continued)

Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category, which are related to pension obligations as follows:

1. The differences between expected and actual experience is amortized into pension expense beginning in the year the deferral occurs over a closed period equal to the average remaining service lives of all plan participants.
2. Changes in actuarial assumptions adjust the net pension liability and are amortized into pension expense over the expected remaining service lives of plan members.

The government also has inflows which arise under the modified accrual basis of accounting that qualify for reporting in this category. The item, unavailable revenue, is reported only in the governmental funds balance sheet. As such, under the modified accrual basis of accounting, the governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amount became available.

H. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Richmond Hill Retirement Plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Net Position and Fund Balance

Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity for all other reporting is classified as “net position.”

Fund Balance – Generally, fund balance represents the difference between the assets and deferred outflows of resources and liabilities and deferred inflows of resources under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

Nonspendable – Fund balances are reported as nonspendable when amounts cannot be spent because they are either: (a) not in a spendable form, or (b) legally or contractually required to be maintained intact.

Restricted – Fund balances are reported as restricted when there are limitations imposed on their use, either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws and regulations of other governments.

Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through the adoption of a resolution or passage of an ordinance. Only the City Council may modify or rescind the commitment.

Assigned – Fund balances are reported as assigned when amounts are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. Intent can be expressed by Council or by an official or body to which Council delegates the authority. The City Council has not delegated such authority as of December 31, 2020.

Unassigned – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City’s policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City’s policy to use fund balance in the following order: 1) committed, 2) assigned, and 3) unassigned.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Net Position and Fund Balance (Continued)

Net Position – Net position represents the difference between assets and deferred outflows, and liabilities and deferred inflows in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

J. Accounting Estimates

The preparation of financial statements in accordance with GAAP requires the City's management to make estimates and assumptions. These estimates and assumptions 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.

K. Compensated Absences

The City's policy is to permit employees to accumulate vacation leave, based on years of service, from 0 to 15 days per year. Employees may accumulate vacation time up to 240 hours and will be paid if employment is terminated. Each permanent employee also will accrue up to 10 days of personal leave per year, and may accumulate up to 240 hours. Personal leave not used at termination will not be paid to the employee. Personal leave or vacation can be used for credits towards retirement, however, this time will not be paid to the employee. Vacation pay is accrued when incurred in the proprietary funds and reported as a fund liability. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statement and the proprietary fund financial statements. All current payables and accrued liabilities from the governmental fund are reported in the governmental fund financial statements.

In the government-wide financial statements for the primary government, long-term debt, and other long-term obligations are reported as liabilities on the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

M. Proprietary Fund Operating and Non-Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's principal ongoing operations. The City's business-type activities accounted for in the proprietary fund are chiefly water and sewer sales and services and stormwater charges. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

State law requires that the City adopt by ordinances or resolutions an annual balanced budget for its general fund and special revenue funds for the upcoming fiscal year (December 31). A budget is balanced when the sum of estimated revenues and appropriated fund balance is equal to appropriations. The legal level of budgetary control over expenditures is exercised by the City at the department level for its general and special revenue funds. Appropriations lapse at year-end. The City follows these procedures in establishing the budgetary data reflected in the financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Budgetary Information (Continued)

Prior to year-end, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.

1. Public hearings are conducted at the City Courthouse to obtain taxpayer comments.
2. Prior to January 1, the budget is legally enacted through approval by the City Council.
3. Budgets for the general fund and all special revenue funds are adopted on a basis consistent with GAAP. Project length budgets are adopted for the capital projects funds.

The City Council has the authority to amend its budget as follows:

Any increase in appropriation in any fund for a department, whether accomplished through a change in anticipated revenues in any fund or through a transfer of appropriations among departments, shall require the approval of the City Council.

Deficit Fund Balance

For the year ended December 31, 2020, the TSPLOST Fund reported a deficit fund balance of \$476,315. This deficit will be eliminated by collections of the transportation special purpose local option sales tax.

NOTE 3. CASH AND INVESTMENTS

Total cash and cash equivalents as of December 31, 2020, are summarized as follows:

Statement of net position:	
Cash and cash equivalents	\$ 21,029,461
Restricted cash	4,353,795
Component unit - cash and cash equivalents	32,014
	<u>\$ 25,415,270</u>
Cash deposited with financial institutions	\$ 16,598,258
Cash deposited with Georgia Fund 1	8,817,012
	<u>\$ 25,415,270</u>

Certain cash and cash equivalents of the City are legally restricted for specified purposes. Restrictions at December 31, 2020, represented amounts in escrow and connection fees collected for water and sewer projects.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

In its investment of public funds, the City follows state statutes and adopted investment policies. As of December 31, 2020, the investments of the City were:

<u>Investment</u>	<u>Average Credit Rating</u>	<u>Fair Value</u>	<u>Average Maturity Days</u>
Georgia Fund 1	AAAf	\$ 8,817,012	54

Under state law, investments of the City’s public funds may be placed in obligations of (or obligations guaranteed by) the U.S. government, obligations of agencies of corporations in the U.S. government, obligations of any state or any political subdivision of any state, certificates of deposit or time deposits of financial institutions with deposits insured by FDIC, prime bankers’ acceptances, repurchase agreements, and the Georgia Fund 1. During the year, the City invested public funds in the Georgia Fund 1.

The investment in the Georgia Fund 1 represents the City’s portion of a pooled investment account operated by the Office of the State Treasurer. The pool consists of U.S. treasury obligations, securities issued or guaranteed by the U.S. Government or any of its agencies or instrumentalities, bankers’ acceptances, overnight and term repurchase agreements with highly rated counterparties, and collateralized bank accounts. The investment in the Georgia Fund 1 is valued at fair market value.

Deposit and investment transactions are subject to a variety of risks. The City seeks to promote the safety of principal, provide adequate liquidity for operational needs, earn market rates of return on investments consistent with liquidity needs and investment quality, and conform with legal requirements.

Credit Risk. State statutes authorize the City to invest in: obligations of the United States, the State of Georgia, and other political subdivisions of the State of Georgia, and other states; prime bankers’ acceptances; repurchase agreements; and the Georgia local government investment pool (“Georgia Fund 1”).

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of December 31, 2020, all of the deposits for the City were fully collateralized in accordance with the state statutes.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The City’s policy is that not more than 25% of the total portfolio may mature more than one year beyond the date of calculation.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES

Receivables as of December 31, 2020, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Fire Department Fund	SPLOST VII Fund	TSPLOST Fund	Nonmajor Governmental Funds	Water and Sewer Fund	Stormwater Fund	Total
Receivables:								
Taxes	\$ 126,366	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 126,366
Accounts	975,790	35,058	-	-	48,261	1,196,433	73,630	2,329,172
Due from other governments	390,634	89,825	470,974	1,749,242	-	-	-	2,700,675
Gross receivables	<u>1,492,790</u>	<u>124,883</u>	<u>470,974</u>	<u>1,749,242</u>	<u>48,261</u>	<u>1,196,433</u>	<u>73,630</u>	<u>5,156,213</u>
Less allowance for uncollectibles	<u>(91,314)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(480,698)</u>	<u>(23,159)</u>	<u>(595,171)</u>
Net receivables	<u>\$ 1,401,476</u>	<u>\$ 124,883</u>	<u>\$ 470,974</u>	<u>\$ 1,749,242</u>	<u>\$ 48,261</u>	<u>\$ 715,735</u>	<u>\$ 50,471</u>	<u>\$ 4,561,042</u>

Property Taxes. Property taxes are assessed as of January 1 and taxes were levied on August 11, 2020. A millage rate of 4.132 mills was adopted on August 4, 2020. Tax bills were rendered on November 15, 2020 and are considered past due 60 days after the respective tax billing date at which time the applicable property is subject to lien and penalties and interest are assessed. An allowance is established for delinquent taxes to the extent their collection is improbable.

Long-term Receivables. On June 7, 2005, the City entered into an intergovernmental agreement with Bryan County to construct a water and sewer line extension from the City's current water and sewer lines to the newly constructed Sheriff's Complex. The City financed the water and sewer line extension project. The intergovernmental agreement stipulated that the County would reimburse the City for the cost of the extension project, upon completion of the project. The project was completed at a cost of \$680,710 that will be repaid in quarterly installments of \$13,325 over 10 years at an interest rate of 2.44%. The total long-term receivable amount totaled \$266,295 at year-end with a current portion of \$46,190.

On December 19, 2017, the City entered into an agreement with a limited liability company ("LLC") to share in the construction cost of certain water, sewer and reuse facilities on land the LLC agreed to have annexed and rezoned into the City. The City agreed to construct a regional connector road and certain water, sewer and reuse facilities to serve the property. The project will be completed in various phase. Phase I of the project was completed in 2020 and the long-term portion due from the LLC totaled \$1,633,590 at year-end. The current portion of \$119,794 is reported as a current receivable.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund receivable and payable balances as of December 31, 2020, is as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor governmental	\$ 39,168
Nonmajor governmental	Nonmajor governmental	21,556
General	SPLOST VII	13,424
		<u>\$ 74,148</u>
Discretely presented component unit - Convention and Visitor's Bureau	Primary government - Nonmajor governmental	<u>\$ 26,524</u>

These amounts represent short-term receivables and payables. The balances resulted from the time lag between dates that: 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

A summary of interfund transfers by fund type is as follows:

Transfer in	Transfer out	Amount
General	Nonmajor governmental	\$ 276,458
Nonmajor governmental	Nonmajor governmental	185,425
Fire Department	General	798,028
		<u>\$ 1,259,911</u>

Interfund transfers are used to: 1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them, 2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and 3) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

Capital asset activity for the governmental activities for the year ended December 31, 2020, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated					
Land	\$ 3,428,077	\$ -	\$ -	\$ -	\$ 3,428,077
Right of way	310,000	495,000	-	-	805,000
Construction in progress	528,069	4,079,115	(87,120)	(223,428)	4,296,636
Total	<u>4,266,146</u>	<u>4,574,115</u>	<u>(87,120)</u>	<u>(223,428)</u>	<u>8,529,713</u>
Capital assets, being depreciated:					
Buildings and improvements	10,694,761	63,018	-	-	10,757,779
Infrastructure and other structures	14,095,846	2,087,537	-	164,653	16,348,036
Machinery, equipment and vehicles	7,257,843	1,019,509	(748,917)	58,775	7,587,210
Total	<u>32,048,450</u>	<u>3,170,064</u>	<u>(748,917)</u>	<u>223,428</u>	<u>34,693,025</u>
Less accumulated depreciation for:					
Buildings and improvements	(3,911,251)	(337,270)	-	-	(4,248,521)
Infrastructure and other structures	(3,078,954)	(578,089)	-	-	(3,657,043)
Machinery, equipment and vehicles	(5,078,932)	(528,100)	748,917	-	(4,858,115)
Total	<u>(12,069,137)</u>	<u>(1,443,459)</u>	<u>748,917</u>	<u>-</u>	<u>(12,763,679)</u>
Total capital assets, being depreciated, net	<u>19,979,313</u>	<u>1,726,605</u>	<u>-</u>	<u>223,428</u>	<u>21,929,346</u>
Governmental activities capital assets, net	<u>\$ 24,245,459</u>	<u>\$ 6,300,720</u>	<u>\$ (87,120)</u>	<u>\$ -</u>	<u>\$ 30,459,059</u>

Depreciation expense was charged to functions/programs of the governmental activities as follows:

General government	\$ 77,839
Public safety	482,646
Public works	584,673
Culture and recreation	110,031
Housing and development	188,270
Total depreciation expense - governmental activities	<u>\$ 1,443,459</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the business-type activities for the year ended December 31, 2020, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Business-type Activities					
Capital assets, not being depreciated:					
Land	\$ 1,100,329	\$ -	\$ -	\$ -	\$ 1,100,329
Construction in progress	3,154,753	3,736,691	-	-	6,891,444
Total	<u>4,255,082</u>	<u>3,736,691</u>	<u>-</u>	<u>-</u>	<u>7,991,773</u>
Capital assets, being depreciated:					
Utility plant and equipment	57,349,270	4,382,113	-	-	61,731,383
Buildings	124,464	-	-	-	124,464
Machinery, equipment and vehicles	855,244	210,039	(72,061)	-	993,222
Total	<u>58,328,978</u>	<u>4,592,152</u>	<u>(72,061)</u>	<u>-</u>	<u>62,849,069</u>
Less accumulated depreciation for:					
Utility plant and equipment	(11,099,026)	(1,474,132)	-	-	(12,573,158)
Buildings	(124,467)	-	-	-	(124,467)
Machinery, equipment and vehicles	(783,489)	(44,503)	72,061	-	(755,931)
Total	<u>(12,006,982)</u>	<u>(1,518,635)</u>	<u>72,061</u>	<u>-</u>	<u>(13,453,556)</u>
Total capital assets, being depreciated, net	<u>46,321,996</u>	<u>3,073,517</u>	<u>-</u>	<u>-</u>	<u>49,395,513</u>
Business-type activities capital assets, net	<u>\$ 50,577,078</u>	<u>\$ 6,810,208</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,387,286</u>

Depreciation expense was charged to funds of the primary government as follows:

<u>Business-type activities</u>	
Water and Sewer Fund	\$ 1,373,500
Stormwater Utility Fund	<u>145,135</u>
Total depreciation expense business-type activities	<u>\$ 1,518,635</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT

Capital Leases

The City has entered into lease agreements as lessee for financing the acquisition of land, buildings, vehicles, and other equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, the assets have been recorded at the present value of the future minimum lease payments as of the inception date in the general capital assets. The amortization of assets recorded under capital leases is included with depreciation expense in the amount of \$114,348.

The assets acquired through capital leases are as follows:

Asset Class	Governmental Activities	Business-Type Activities
Machinery and equipment	\$ 1,931,219	\$ 157,580
Less: Accumulated depreciation	(273,990)	-
Total	\$ 1,657,229	\$ 157,580

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2020, were as follows:

Year ending December 31,	Governmental Activities	Business Type Activities
2021	\$ 327,710	\$ 33,172
2022	324,745	33,172
2023	321,778	33,172
2024	266,370	33,172
2025	182,111	27,644
2026 – 2027	263,742	-
Total minimum lease payments	1,686,456	160,332
Less: Amounts representing interest	(118,991)	(7,356)
Present value of future minimum lease payments	1,567,465	152,976
Less current portion	(290,296)	(30,494)
Long-term portion of leases	\$ 1,277,169	\$ 122,482

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

Revenue Bonds

In 2013, the City entered into a contractual obligation with the Richmond Hill Area Convention and Visitor's Bureau Authority (the "Authority"), a discretely presented component unit of the City, related to the Richmond Hill Area Convention and Visitor's Bureau ("RHCVB") Authority Refunding Revenue Bond (City Center Project), Series 2013 to make payments to the Authority sufficient to pay, when due, the principal of and interest on the bond. The bonds are limited obligations of the Authority, payable from payments made by the City to the Authority under the contractual obligation. The City is unconditionally obligated to make the payments required. The obligation of the City to make payments constitutes a general obligation of the City for which the full faith and credit of the City is pledged. A bank purchased the bonds in a private placement in the principal amount of \$3,847,000 at a rate of 3.55% and maturity of 12 years. The proceeds of the bond sale were used to currently refund the RHCVB Authority Revenue Bonds, Series 2009, which had a principal balance of \$3,832,707 and to cover accrued interest. The refunding was undertaken to reduce total future debt service payments in the amount of \$737,468.

In 2017, the City entered into a contractual obligation with the Richmond Hill Public Facilities Authority ("Authority") related to the Richmond Hill Public Facilities Authority Revenue Bond (City of Richmond Hill Projects), Series 2017. The bond is being issued to provide funds needed to reimburse and finance the costs, in whole or in part, of: (i) the costs associated with the acquisition of the Ford Avenue property and certain improvements to the Sweet Shop Building for use as offices for the City's Convention and Visitor's Bureau, and (ii) the fees and expenses to be incurred in connection with the issuance of this bond. The bonds are limited obligations of the Authority, payable from payments made by the City to the Authority under the contractual obligation. The City is unconditionally obligated to make the payments required. The obligation of the City to make payments constitutes a general obligation of the City for which the full faith and credit of the City is pledged. The principal amount of the bond is \$3,500,000 at a rate of 2.72% and maturity of 15 years.

The bond debt service requirements for the contractual obligations are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 554,726	\$ 130,061	\$ 684,787
2022	568,854	111,714	680,568
2023	587,821	92,747	680,568
2024	607,210	73,358	680,568
2025	395,590	54,959	450,549
2026 – 2030	1,259,365	166,784	1,426,149
2031 – 2032	536,647	16,075	552,722
	<u>\$ 4,510,213</u>	<u>\$ 645,698</u>	<u>\$ 5,155,911</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

Notes Payable from Direct Borrowings

On October 9, 2013, the City entered into an installment sales agreement for the purchase of land and buildings for use as a vehicle maintenance facility. According to the agreement, the interest in the facility will be transferred to the seller in the event of default or non-appropriation by the City. The \$810,000 in note proceeds were used for the cost of the above property. The note has an interest rate of 3.49% with a maturity date of October 9, 2028.

The note debt service requirements to maturity are as follows:

Year	Principal	Interest	Total
2021	\$ 55,608	\$ 15,977	\$ 71,585
2022	55,608	14,073	69,681
2023	57,580	12,101	69,681
2024	59,622	10,058	69,680
2025	61,737	7,944	69,681
2026 – 2028	185,167	10,359	195,526
	\$ 475,322	\$ 70,512	\$ 545,834

Upon the occurrence of an event of default, the lender, at its option, without demand or notice of any kind, may declare the loan immediately due and payable.

Intergovernmental Payable

The City entered into an intergovernmental agreement with Bryan County related to the County's issuance of \$4.65 million in General Obligation Transportation Sales Tax Bonds, Series 2018. In accordance with the agreement, the City's portion of the TSPLOST is deposited into a debt service account maintained by the County to fund payment of the Sales Tax Bonds. The County disbursed the proceeds of the bonds to the City upon issuance in October 2018. These bonds, while not issued in the name of the City, are paid by the City's portion of the TSPLOST. As such, an intergovernmental payable, due to the County for the bond payments was created. Principal is due in November of each year and interest is due semi-annually in May and November through 2023.

The intergovernmental payable bears interest at a rate of 3.365% per annum. Debt service to maturity requirements for the payable are as follows:

Year	Principal	Interest	Total
2021	\$ 1,143,000	\$ 140,826	\$ 1,283,826
2022	1,181,000	119,290	1,300,290
2023	1,221,000	80,828	1,301,828
	\$ 3,545,000	\$ 340,944	\$ 3,885,944

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

Georgia Environmental Finance Authority (“GEFA”) Loans From Direct Borrowings

The City has obtained GEFA loans for the development and expansion of its water and sewer systems and for the construction of the wastewater treatment facility and for a Floridian Aquifer well. The City has pledged its full faith and credit and revenue-raising power including its taxing power, for repayment of these obligations.

The loans outstanding at year-end are as follows:

<u>Purpose</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Loan Payable</u>
GEFA - Pump station rehabilitation and force main replacement – construction loan	\$ 2,500,000	2.91%	\$ 1,875,962
GEFA - Construction of new wastewater treatment facility and all necessary appurtenances – Phase I	3,500,000	3.00%	2,823,476
GEFA - Construction of new wastewater treatment facility and all necessary appurtenances – Phase II	10,000,000	1.40%	7,441,617
GEFA - Construction of new wastewater treatment facility and all necessary appurtenances – Phase III	10,500,000	1.03%	8,564,122
GEFA - Construction of a master lift station and a force main connection to the water reclamation facility and related appurtenances	3,000,000	2.09%	2,026,444
GEFA - Construction of a water main, sewer force main, and re-use main infrastructure	2,900,000	1.75%	2,900,000
GEFA - Construction of a water main, sewer force main, and re-use main infrastructure	2,996,500	1.44%	58,700
Total loans			25,690,321
Less: current portion			(1,321,117)
Total long-term debt			<u>\$ 24,369,204</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

Georgia Environmental Finance Authority (“GEFA”) Loans – Direct Borrowings (Continued)

GEFA loans debt service requirements to maturity are as follows:

Year	Principal	Interest	Total
2021	\$ 1,321,117	\$ 372,749	\$ 1,693,866
2022	1,342,445	351,421	1,693,866
2023	1,364,216	329,661	1,693,877
2024	1,386,368	307,498	1,693,866
2025	1,409,022	284,844	1,693,866
2026 – 2030	7,413,734	1,055,598	8,469,332
2031 – 2035	7,871,174	434,858	8,306,032
2036 – 2040	1,497,101	40,552	1,537,653
	\$ 23,605,177	\$ 3,177,181	\$ 26,782,358

The GEFA loans on the previous page with outstanding balances of \$2,026,444 and \$58,700 are still in the drawdown phase, and, therefore, are not included in the maturity schedule above. Upon the occurrence of an event of default, the lender, at its option, without demand or notice of any kind, may declare the loan immediately due and payable.

Water and Sewer Bond

During 2017, the City issued the Water and Sewer Refunding Bond, Series 2017 in the principal amount of \$2,135,400. The proceeds of the bond sale were used by the City to: 1) refund and redeem certain outstanding amounts of loans made to the City by GEFA, and 2) fund all expenses incidental to the issuance of the bond. The bond bears interest at a fixed rate of 2.44% with principal repayment beginning April 2017 and continuing monthly thereafter. The refunding was undertaken to reduce total future debt service payments. The transaction also resulted in an economic gain of \$32,340 and a reduction of \$217,772 in future debt service payments. The System’s net revenues are pledged for the payment of the debt service. Debt service requirements to maturity are as follows:

Year	Principal	Interest	Total
2021	\$ 209,160	\$ 31,708	\$ 240,868
2022	214,320	26,547	240,867
2023	219,608	21,258	240,866
2024	225,027	15,840	240,867
2025	230,579	10,287	240,866
2026 – 2027	296,239	4,842	301,081
	\$ 1,394,933	\$ 110,482	\$ 1,505,415

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

Water and Sewer Bond (Continued)

Upon any event of default, then and in every such case the bondholder may proceed to protect and enforce the rights of the bondholder by a suit, action or special proceeding in equity, or at law.

Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2020, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Capital leases payable	\$ 867,344	\$ 864,000	\$ (163,879)	\$ 1,567,465	\$ 290,296
Bonds payable	5,047,564	-	(537,351)	4,510,213	554,726
Notes payable - direct borrowings	527,186	-	(51,864)	475,322	55,608
Intergovernmental payable	4,650,000	-	(1,105,000)	3,545,000	1,143,000
Compensated absences	158,346	157,841	(137,288)	178,899	94,817
Net pension liability	834,887	1,561,350	(575,762)	1,820,475	-
Total long-term liabilities	<u>\$ 12,085,327</u>	<u>\$ 2,583,191</u>	<u>\$ (2,571,144)</u>	<u>\$ 12,097,374</u>	<u>\$ 2,138,447</u>
Business-type activities					
Bonds payable - direct placement	\$ 1,599,055	\$ -	\$ (204,122)	\$ 1,394,933	\$ 209,160
GEFA loans payable - direct borrowings	23,784,811	2,497,863	(592,353)	25,690,321	1,321,117
Capital leases payable	-	158,000	(5,024)	152,976	30,494
Compensated absences	22,609	14,222	(10,292)	26,539	14,066
Net pension liability	48,519	129,030	(47,539)	130,010	-
Total long-term liabilities	<u>\$ 25,454,994</u>	<u>\$ 2,799,115</u>	<u>\$ (859,330)</u>	<u>\$ 27,394,779</u>	<u>\$ 1,574,837</u>

For the governmental activities, compensated absences and the net pension liability are generally liquidated by the General Fund. For the business-type activities, compensated absences and the net pension liability are liquidated by the Water and Sewer Fund.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; and workers' compensation for which the City carries the following insurance coverage. There were no significant reductions of insurance coverage compared to the prior year. The City utilizes Lion Insurance Company for its workers compensation insurance. The City makes monthly payments to the company based on industry actuarial projections. An annual workers compensation audit is performed by the carrier which can either result in a refund of premium or additional charge over the base premium. No amount has been recorded in the financial statements as a contingency for additional assessments as management believes the likelihood for a substantial surcharge is remote. Settled claims have not exceeded coverage in any of the past three fiscal years.

The City joined the Georgia Interlocal Risk Management Agency ("GIRMA"). Insurance coverage and deductible options for property, casualty and crime under the policy are selected by City's management based on the anticipated needs. The City is required to pay all premiums, applicable deductibles and assessments billed by GIRMA, as well as following loss reduction and prevention procedures established by GIRMA. GIRMA's responsibility includes paying claims, and representing the City in defense and settlement of claims. GIRMA's basis for estimating the liabilities for unpaid claims is Incurred But Not Reported ("IBNR") established by an actuary. The City has not compiled a record of the claims paid up to the applicable deductible for the prior year or the current fiscal year. The City is unaware of any claims which the City is liable (up to the applicable deductible) which were outstanding and unpaid at December 31, 2020. No provisions have been made in the financial statements for the year ended December 31, 2020, for any estimate of potential unpaid claims.

The City pays unemployment claims to the State Department of Labor on a reimbursement basis. Liabilities for such claims are immaterial and are not accrued.

NOTE 9. COMMITMENTS AND CONTINGENCIES

The City receives a number of grants that are subject to program compliance audits by the grantors. Noncompliance with the terms and provisions of these grant agreements could result in contingent liabilities to the grantor agencies.

The City attorney is not aware of any pending or threatening claims of litigation of a material nature in relation to the overall financial statements.

The City has contracted with EOM Public Works, LLC for the operation of its water and sewer systems, public works department, and stormwater systems.

At December 31, 2020, the City had outstanding construction commitments totaling \$4,710,953 related to GEFA, SPLOST, and TSPLOST project

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLAN

Plan Description

The City of Richmond Hill Pension Plan, covering all full-time employees, has a noncontributory plan for Class 0 and 1 employees; however, employees who have elected for the enhanced retirement option must contribute 3% of their salary to the plan. These employees are considered Class 2 and 3. Effective February 1, 2008, new hires and re-hired regular employees will be required to make contributions. Class 1 and 2 employees are police officers who do not contribute to social security under the plan provisions. Class 0 and 3 employees are all other employees of the City. The plan also includes the City's discretely presented component unit, the Convention and Visitor's Bureau, employees.

The City's pension plan is administered through the Georgia Municipal Employee Benefit System ("GMEBS"), an agent multiple-employer pension plan administered by the Georgia Municipal Association. GMEBS handles all administrative and investment functions relative to the plan. These benefit provisions and all other requirements are established or amended by local ordinance. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained at www.gmanet.com or by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

Benefits Provided

Benefits are fully vested after five years of service. Participants become eligible to retire at age 65, with five years or age 55 with 25 years of participation in the plan (or at age 55 with five years of service with reduced benefits). Upon eligibility to retire, participants are entitled to an annual benefit in the amount of 1.25% of final average earnings up to a participant's amount of covered compensation, plus 2.00% of final average earnings in excess of the participant's covered compensation, all multiplied by the participant's years of total credited service. If the participant is a police officer, the participant is entitled to an annual benefit in the amount of 2.00% of final average earnings times the participant's years of total credited service. If the participant has elected the enhanced retirement option, participants are entitled to an annual benefit in the amount of 1.48% of final average earnings up to a participant's amount of covered compensation, plus 2.36% of final average earnings in excess of the participant's covered compensation, all multiplied by the participant's years of total credited service. If the participant is a police officer who has elected the enhanced retirement option, the participant is entitled to an annual benefit in the amount of 2.4% of final average earnings times the participant's years of total credited service.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contributions

The City's policy is to contribute the actuarially determined amount as recommended by GMEBS. The Board of Trustees of GMEBS has adopted an actuarial funding policy for determination of annual contributions and the systematic funding of liabilities arising under the plan. The annual recommended contribution is the sum of: 1) the normal cost, 2) the closed level dollar amortization of the unfunded actuarial accrued liability over a period that ranges from 10 to 30 years based on the funding policy adopted by the GMEBS Board of Trustees, and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly). Well-funded plans may have a full credit applied to reduce the recommended contributions. This credit insures that contributions are not required if a plan's assets exceed the present value of future benefits. The contributions meet the estimated minimum annual contribution under Public Retirement Systems Standards Law (Georgia Code Section 47-20-10).

Plan Membership

As of July 1, 2020, the date of the most recent actuarial valuation, there were 179 participants consisting of the following:

Inactive plan members or beneficiaries currently receiving benefits	32
Inactive plan members entitled to but not receiving benefits	48
Active plan members	99
	179

Net Pension Liability of the City

	Net Pension Liability	Deferred Outflows	Deferred Inflows
Primary Government	\$ 1,950,485	\$ 1,526,980	\$ 335,428
Component Unit	24,117	17,531	2,408
Total	\$ 1,974,602	\$ 1,544,511	\$ 337,836

The City's net pension liability was measured as of March 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020, with updated procedures performed by the actuary to roll forward to the total pension liability measured as of March 31, 2020.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Actuarial Assumptions. The total pension liability in the July 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Cost of living adjustments	2.25%
Salary increases	2.25% plus service based merit increases
Investment rate of return	7.375% Ongoing basis, based on long-term expected rate of return of pension plan investments

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table with gender-distinct rates, set forward two years for males and one year for females.

The actuarial assumptions used in the July 1, 2020, valuation were based on the results of an actuarial experience study for the period January 1, 2015 – June 30, 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2020, are summarized in the following table:

Asset Class	Target Allocation	Long-term expected real rate of return*
Domestic equity	45 %	6.41 %
International equity	20	6.96
Real estate	10	4.76
Global fixed income	5	3.06
Domestic fixed income	20	1.96
Total	100 %	

* Rates shown are net of the 2.25% assumed rate of inflation.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 7.375%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability of the City

The changes in the components of the net pension liability of the City for the year ended December 31, 2020, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2019	\$ 10,283,018	\$ 9,387,161	\$ 895,857
Changes for the year:			
Service cost	251,834	-	251,834
Interest	775,175	-	775,175
Differences between expected and actual experience	(251,589)	-	(251,589)
Contributions - employer	-	211,882	(211,882)
Contributions - employee	-	132,611	(132,611)
Net investment income	-	(652,616)	652,616
Benefit payments, including refunds of employee contributions	(398,367)	(398,367)	-
Administrative expense	-	(29,383)	29,383
Other	(34,181)	-	(34,181)
Net changes	342,872	(735,873)	1,078,745
Balances at December 31, 2020	\$ 10,625,890	\$ 8,651,288	\$ 1,974,602

The required schedule of changes in the City's net pension liability and related ratios immediately following the notes to the financial statements presents multi-year trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 7.375%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.375%) or 1-percentage-point higher (8.375%) than the current rate:

	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
City's net pension liability	\$ 3,537,384	\$ 1,974,602	\$ 701,636

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of March 31, 2020, and the current sharing pattern of costs between employer and employee.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2020, the City recognized pension expense of \$520,222. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 270,593	\$ (264,471)
Changes in assumptions	-	(73,365)
Net difference between projected and actual earnings on pension plan investments	1,078,060	-
City contributions subsequent to the measurement date	195,858	-
Total	\$ 1,544,511	\$ (337,836)

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

City contributions subsequent to the measurement date of \$195,858 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31,	
2021	\$ 206,761
2022	305,382
2023	285,122
2024	213,552
Total	<u>\$ 1,010,817</u>

NOTE 11. TAX ABATEMENTS

The City has entered into tax abatement agreements to promote economic development in the County and City through the Development Authority of Bryan County (the "Authority"). The Authority can enter into agreements for industrial projects to encourage the creation of jobs and new capital investment through an "Investment Assistance Program." Georgia case law and statutory provisions, including the Development Authorities Law (Title 36 Chapter 62 of the Georgia Code Annotated), provide the Authority with the power to enter into such agreements with companies.

The Authority may accept title to real property (land and building) and personal property (machinery and equipment) assets from a company in return for job creation and/or capital investment and provide a tax benefit to the company through a lease agreement with the Authority. Agreements with respect to taxation of such assets under the lease provide the terms and conditions of any tax abatement. In general, failure to create jobs and/or investments as set forth in the agreements would result in a reduction (or claw back) of any tax abatements. The Authority monitors compliance with performance and accountability agreements to ensure the companies meet the agreed upon commitments.

For the City's fiscal year ended December 31, 2020, the cumulative property tax not collected by the City due to incentive agreements was \$121,473. Such agreements in effect for the City resulted in over \$149 million in capital investment and 163 jobs.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. HOTEL/MOTEL TAX

The City has levied a 7% hotel/motel tax. For the year ended December 31, 2020, \$647,312 of hotel/motel tax was collected. Of the total, 100% was used to promote tourism within the City (\$185,429 to the Convention and Visitor's Bureau, \$276,458 to the General Fund, and \$185,425 to the City Center Fund).

NOTE 13. RESTATEMENT

Effective January 1, 2020, the City began recording the activity of the Fire Department in a separate special revenue fund, which was previously reported in the General Fund. As such, the City restated beginning fund balance as of January 1, 2020 as follows:

	General Fund	Fire Department Fund
Beginning fund balance, January 1, 2020, as previously reported	\$ 6,353,691	\$ -
Adjustment to record Fire Department Fund	(37,618)	37,618
Beginning fund balance, January 1, 2020, as restated	\$ 6,316,073	\$ 37,618



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF RICHMOND HILL, GEORGIA

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
AND RELATED RATIOS
FOR THE YEAR ENDED DECEMBER 31,**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability						
Service cost	\$ 251,834	\$ 234,054	\$ 255,469	\$ 221,705	\$ 224,265	\$ 250,565
Interest on total pension liability	775,175	703,609	684,447	607,952	563,736	562,342
Differences between expected and actual experience	(251,589)	382,012	(252,797)	397,935	(56,591)	165,667
Benefit payments, including refunds of employee contributions	(398,367)	(368,107)	(302,558)	(178,570)	(143,182)	(145,209)
Assumption changes	-	148,123	(184,083)	-	-	(816,396)
Other	(34,181)	-	-	-	-	-
Net change in total pension liability	342,872	1,099,691	200,478	1,049,022	588,228	16,969
Total pension liability - beginning	10,283,018	9,183,327	8,982,849	7,933,827	7,345,599	7,328,630
Total pension liability - ending (a)	10,625,890	10,283,018	9,183,327	8,982,849	7,933,827	7,345,599
Plan fiduciary net position						
Contributions - employer	211,882	217,360	247,318	219,119	322,297	277,878
Contributions - employee	132,611	124,125	113,490	112,041	97,268	89,480
Net investment income	(652,616)	323,893	1,003,747	896,892	25,554	587,119
Benefit payments, including refunds of employee contributions	(398,367)	(368,107)	(302,558)	(178,570)	(143,182)	(145,209)
Administrative expenses	(29,383)	(26,697)	(26,917)	(27,333)	(18,175)	(16,303)
Net change in plan fiduciary net position	(735,873)	270,574	1,035,080	1,022,149	283,762	792,965
Plan fiduciary net position - beginning	9,387,161	9,116,587	8,081,507	7,059,358	6,775,596	5,982,631
Plan fiduciary net position - ending (b)	8,651,288	9,387,161	9,116,587	8,081,507	7,059,358	6,775,596
City's net pension liability (a) - (b)	\$ 1,974,602	\$ 895,857	\$ 66,740	\$ 901,342	\$ 874,469	\$ 570,003
Plan fiduciary net position as a percentage of the total pension liability	81.4%	91.3%	99.3%	90.0%	89.0%	92.2%
Covered payroll	\$ 4,694,475	\$ 4,520,012	\$ 4,042,212	\$ 3,970,402	\$ 3,446,777	\$ 3,345,260
City's net pension liability as a percentage of covered payroll	42.06%	19.82%	1.65%	22.70%	25.37%	17.04%

Notes to the Schedule

The schedule will present 10 years of information once it is accumulated.

CITY OF RICHMOND HILL, GEORGIA

**SCHEDULE OF CITY CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31,**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 261,144	\$ 200,623	\$ 246,360	\$ 222,145	\$ 217,867	\$ 346,287
Contributions in relation to the actuarially determined contribution	<u>261,144</u>	<u>200,623</u>	<u>246,336</u>	<u>331,160</u>	<u>189,672</u>	<u>371,519</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24</u>	<u>\$ (109,015)</u>	<u>\$ 28,195</u>	<u>\$ (25,232)</u>
Covered payroll	\$4,694,475	\$4,520,012	\$4,042,212	\$3,970,402	\$3,446,777	\$3,345,260
Contributions as a percentage of covered payroll	5.6%	4.4%	6.1%	8.3%	5.5%	11.1%

Notes to the Schedule

Valuation date	July 1, 2020
Cost method	Projected unit credit
Actuarial asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amounts that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Assumed rate of return on investments	7.375%
Projected salary increases	2.25% plus service based merit increases
Cost of living adjustments	2.25%
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	Remaining amortization period varies for the bases, with a net effective amortization period of 10 years

The schedule will present 10 years of information once it is accumulated.



SUPPLEMENTARY INFORMATION

CITY OF RICHMOND HILL, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Confiscated Assets Fund – accounts for receipt and expenditure of condemned funds awarded to the City by court order.

Hotel/Motel Tax Fund – accounts for the receipt and expenditure of the City's hotel/motel tax.

City Center Fund – accounts for the operations of the City Center. Transfers from the hotel/motel tax fund provide the primary financing source for this fund. Expenditures of these funds are for the operations of the City Center which provides for conventions and trade show purposes.

Downtown Development Authority Fund – accounts for the blended component unit activity related to services and benefits for the community.

CITY OF RICHMOND HILL, GEORGIA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	<u>Special Revenue Funds</u>				Total Nonmajor Governmental Funds
	Confiscated Assets Fund	Hotel/Motel Fund	City Center Fund	Downtown Development Authority Fund	
ASSETS					
Cash and cash equivalents	\$ 51,482	\$ 38,987	\$ 109,323	\$ 179,462	\$ 379,254
Receivables, net of allowance	-	48,261	-	-	48,261
Due from other funds	-	-	21,556	-	21,556
Total assets	\$ 51,482	\$ 87,248	\$ 130,879	\$ 179,462	\$ 449,071
LIABILITIES					
Accounts payable	\$ 31,323	\$ -	\$ 562	-	\$ 31,885
Due to component unit	-	26,524	-	-	26,524
Due to other funds	-	60,724	-	-	60,724
Total liabilities	31,323	87,248	562	-	119,133
FUND BALANCE					
Restricted for:					
Public safety	20,159	-	-	-	20,159
Housing and development	-	-	130,317	179,462	309,779
Total fund balance	20,159	-	130,317	179,462	329,938
Total liabilities, deferred inflows of resources, and fund balance	\$ 51,482	\$ 87,248	\$ 130,879	\$ 179,462	\$ 449,071

CITY OF RICHMOND HILL, GEORGIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Special Revenue Bonds</u>				Total Nonmajor Governmental Funds
	Confiscated Assets Fund	Hotel/Motel Tax Fund	City Center Fund	Downtown Development Authority Fund	
Revenues					
Taxes	\$ -	\$ 647,312	\$ -	\$ -	\$ 647,312
Fines and forfeitures	15,242	-	-	-	15,242
Interest income	-	-	516	-	516
Miscellaneous	-	-	-	150,000	150,000
Total revenues	<u>\$ 15,242</u>	<u>\$ 647,312</u>	<u>\$ 516</u>	<u>\$ 150,000</u>	<u>\$ 813,070</u>
Expenditures					
Current:					
Public safety	\$ 21,608	\$ -	\$ -	\$ -	\$ 21,608
Housing and development	-	185,429	152,382	103,228	441,039
Total expenditures	<u>21,608</u>	<u>185,429</u>	<u>152,382</u>	<u>103,228</u>	<u>462,647</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,366)</u>	<u>461,883</u>	<u>(151,866)</u>	<u>46,772</u>	<u>350,423</u>
Other Financing Sources (Uses)					
Transfers in	-	-	185,425	-	185,425
Transfers out	-	(461,883)	-	-	(461,883)
Total other financing sources (uses)	<u>-</u>	<u>(461,883)</u>	<u>185,425</u>	<u>-</u>	<u>(276,458)</u>
Net change in fund balances	(6,366)	-	33,559	46,772	73,965
Fund balances, beginning of year	<u>26,525</u>	<u>-</u>	<u>96,758</u>	<u>132,690</u>	<u>255,973</u>
Fund balance, end of year	<u>\$ 20,159</u>	<u>\$ -</u>	<u>\$ 130,317</u>	<u>\$ 179,462</u>	<u>\$ 329,938</u>

CITY OF RICHMOND HILL, GEORGIA

**CONFISCATED ASSETS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GAAP BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Fines and forfeitures	\$ 10,000	\$ 23,000	\$ 15,242	\$ (7,758)
Total revenues	10,000	23,000	15,242	(7,758)
Expenditures				
Current				
Public safety:	10,000	23,000	21,608	1,392
Total expenditures	10,000	23,000	21,608	1,392
Net change in fund balances	-	-	(6,366)	(6,366)
Fund balance, beginning of year	26,525	26,525	26,525	-
Fund balance, end of year	\$ 26,525	\$ 26,525	\$ 20,159	\$ (6,366)

CITY OF RICHMOND HILL, GEORGIA

**HOTEL/MOTEL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GAAP BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 850,000	\$ 850,000	\$ 647,312	\$ (202,688)
Total revenues	850,000	850,000	647,312	(202,688)
Expenditures				
Current				
Housing and development	242,900	242,900	185,429	57,471
Total expenditures	242,900	242,900	185,429	57,471
Excess (deficiency) of revenues over (under) expenditures	607,100	607,100	461,883	(145,217)
Other financing uses				
Transfers out	(607,100)	(607,100)	(461,883)	145,217
Total other financing uses	(607,100)	(607,100)	(461,883)	145,217
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

CITY OF RICHMOND HILL, GEORGIA

**CITY CENTER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GAAP BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Interest income	\$ -	\$ -	\$ 516	\$ 516
Total revenues	-	-	516	516
Expenditures				
Current				
Housing and development	242,900	242,900	152,382	90,518
Total expenditures	242,900	242,900	152,382	90,518
Excess (deficiency) of revenues over (under) expenditures	(242,900)	(242,900)	(151,866)	91,034
Other financing sources				
Transfers in	242,900	242,900	185,425	(57,475)
Total other financing sources	242,900	242,900	185,425	(57,475)
Net change in fund balances	-	-	33,559	33,559
Fund balance, beginning of year	96,758	96,758	96,758	-
Fund balance, end of year	\$ 96,758	\$ 96,758	\$ 130,317	\$ 33,559

CITY OF RICHMOND HILL, GEORGIA

**DOWNTOWN DEVELOPMENT AUTHORITY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GAAP BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Miscellaneous	\$ 150,000	\$ 150,000	\$ 150,000	\$ -
Total revenues	150,000	150,000	150,000	-
Expenditures				
Current				
Housing and development	150,000	150,000	103,228	46,772
Total expenditures	150,000	150,000	103,228	46,772
Net change in fund balances	-	-	46,772	46,772
Fund balance, beginning of year	132,690	132,690	132,690	-
Fund balance, end of year	\$ 132,690	\$ 132,690	\$ 179,462	\$ 46,772

CITY OF RICHMOND HILL, GEORGIA

**BALANCE SHEET
CONVENTION AND VISITOR'S BUREAU
DECEMBER 31, 2020**

ASSETS		
Cash and cash equivalents		\$ 32,014
Receivables, net of allowance		<u>26,524</u>
Total assets		<u><u>\$ 58,538</u></u>
LIABILITIES		
Accounts payable		<u>\$ 988</u>
Total liabilities		<u>988</u>
FUND BALANCE		
Restricted for:		
Culture and recreation		<u>57,550</u>
Total fund balance		<u>57,550</u>
Total liabilities and fund balance		<u><u>\$ 58,538</u></u>

**Reconciliation of the Convention and Visitor's Bureau Balance Sheet to the
Statement of Net Position**

Total fund balance		\$ 57,550
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Amounts reported for the Convention and Visitor's Bureau in the Statement of Net Position are different because:

The net pension liability and related deferred outflows and inflows of resources are applicable to future periods and, therefore, are not reported at the fund level.

Net pension liability	\$ (24,117)	
Deferred outflows related to pension	17,531	
Deferred inflows related to pension	<u>(2,408)</u>	<u>(8,994)</u>
Net position of the Convention and Visitor's Bureau in the Statement of Net Position		<u><u>\$ 48,556</u></u>

CITY OF RICHMOND HILL, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
CONVENTION AND VISITOR'S BUREAU
FOR THE YEAR ENDED DECEMBER 31, 2020**

Revenues	
Taxes	\$ 185,429
Interest income	138
Miscellaneous	966
Total revenues	<u>186,533</u>
Expenditures	
Current:	
Housing and development	<u>249,166</u>
Total expenditures	<u>249,166</u>
Net change in fund balances	(62,633)
Fund balance, beginning of year	<u>120,183</u>
Fund balance, end of year	<u><u>\$ 57,550</u></u>

**Reconciliation of the Convention and Visitor's Bureau Schedule of Revenues, Expenditures and
Changes in Fund Balance to the Statement of Activities**

Net change in fund balance	\$ (62,633)
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Amounts reported for the Convention and Visitor's Bureau in the Statement of Activities are different because:

In the Statement of Activities, pension expense represents the change in the net pension liability from the beginning of the year to the end of the year. At the fund level, however, pension expense is measured by the amount of financial resources used. This is the amount by which the net pension liability and related deferred outflows and inflows of resources changed during the current year.

	<u>(2,844)</u>
Change in net position of the Convention and Visitor's Bureau in the Statement of Activities	<u><u>\$ (65,477)</u></u>

CITY OF RICHMOND HILL, GEORGIA

**SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - SPLOST VI
FOR THE YEAR ENDED DECEMBER 31, 2020**

Project	Original Estimated Cost	Current Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
General Capital Outlays	\$ 11,000,000	\$ 1,848,361	\$ -	\$ -	\$ -
J. F. Gregory Park improvements	-	245,012	123,521	84,601	208,122
Sterling Creek Park	-	244,121	-	241,392	241,392
Boles Park improvements	-	92,608	-	92,516	92,516
Lawn mower - parks	-	32,607	-	32,607	32,607
Lawn mowers - streets	-	31,648	-	31,648	31,648
Road paving - All streets	-	1,332,537	126,632	329,624	456,256
Teal Lake signs	-	1,805	1,805	-	1,805
Speed tables	-	20,000	10,000	-	10,000
Timber Trail Bridge	-	124,800	48,320	38,800	87,120
Richmond Heights drainage	-	453,204	-	148,127	148,127
Police vehicles	-	1,025,072	462,545	54,093	516,638
P & Z building improvement security	-	35,000	35,000	-	35,000
Fire Department - (2) generators	-	58,775	44,081	14,694	58,775
Fire Station 2 renovation	-	13,525	13,525	-	13,525
Fire department vehicle	-	29,204	-	29,204	29,204
Fire station #3/double-wide modular building	-	426,328	-	183,775	183,775
Debt service	-	5,485,393	450,064	910,932	1,360,996
Totals	\$ 11,000,000	\$ 11,500,000	\$ 1,315,493	\$ 2,192,013	\$ 3,507,506

Per prior year audit report	1,741,577	-
Less fire truck purchased with debt proceeds in prior year	(449,998)	-
Plus fire truck purchased with debt proceeds in the current year	-	864,000
Plus debt service on fire truck	23,914	-
Adjusted total	\$ 1,315,493	\$ 3,056,013

CITY OF RICHMOND HILL, GEORGIA

**SCHEDULE OF EXPENDITURES OF
TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Project	Original Estimated Cost	Current Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
Unobligated	\$ 1,687,017	\$ 1,673,367	\$ -	\$ -	\$ -
Connector Road	2,428,628	2,442,278	-	1,759,315	1,759,315
Interchange at Belfast Keller and I-95	<u>5,050,105</u>	<u>5,050,105</u>	<u>150,598</u>	<u>1,264,185</u>	<u>1,414,783</u>
Totals	<u>\$ 9,165,750</u>	<u>\$ 9,165,750</u>	<u>\$ 150,598</u>	<u>\$ 3,023,500</u>	<u>\$ 3,174,098</u>
			Per prior year audit report	3,103,472	-
			Less bond proceed expenditures	(2,952,874)	-
			Plus bond proceed expenditures	-	<u>1,697,126</u>
			Adjusted total	<u>\$ 150,598</u>	<u>\$ 4,720,626</u>

STATISTICAL SECTION

Statistical tables differ from the financial statements because they usually cover more than one fiscal year and may present non-accounting data. These reflect social and economic data, financial trends, and the fiscal capacity of the government. The tables are unaudited due to the nature of the information contained therein.



STATISTICAL SECTION

Contents	Pages
Financial Trends These schedules contain trend information to help the reader understand how the City's financial position has changed over time.	73
Revenue Capacity These schedules contain information to help the reader understand and assess the factors affecting the City's ability to generate its most significant local revenue sources, the property tax and sales tax.	87
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	92
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	98
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	101

Note: Unless otherwise noted, the financial information in these schedules do not include the City's discretely presented component units.

CITY OF RICHMOND HILL, GEORGIA

**NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities										
Net investment in capital assets	\$ 14,433,938	\$ 15,739,160	\$ 16,396,406	\$ 18,682,124	\$ 19,883,968	\$ 18,642,587	\$ 16,357,705	\$ 16,917,104	\$ 17,803,365	\$ 20,361,059
Restricted	2,023,826	1,273,980	1,067,416	867,724	1,372,266	1,493,097	2,438,900	4,258,353	4,902,677	3,192,626
Unrestricted	4,244,352	4,346,550	3,984,417	4,652,954	2,747,819	2,419,278	4,641,397	367,861	1,069,106	6,322,207
Total governmental activities net position	<u>\$ 20,702,116</u>	<u>\$ 21,359,690</u>	<u>\$ 21,448,239</u>	<u>\$ 24,202,802</u>	<u>\$ 24,004,053</u>	<u>\$ 22,554,962</u>	<u>\$ 23,438,002</u>	<u>\$ 21,543,318</u>	<u>\$ 23,775,148</u>	<u>\$ 29,875,892</u>
Business-type activities										
Net investment in capital assets	\$ 12,026,077	\$ 12,311,727	\$ 13,801,532	\$ 15,403,972	\$ 18,638,358	\$ 20,313,098	\$ 24,575,170	\$ 24,810,040	\$ 25,193,212	\$ 30,149,056
Restricted	2,107,784	2,128,288	1,021,780	1,835,999	2,564,220	2,385,162	2,097,211	1,795,940	2,929,836	4,226,171
Unrestricted	4,035,453	4,740,661	5,243,395	7,039,758	5,051,434	5,078,716	5,729,585	7,609,017	9,848,521	12,311,450
Total business-type activities net position	<u>\$ 18,169,314</u>	<u>\$ 19,180,676</u>	<u>\$ 20,066,707</u>	<u>\$ 24,279,729</u>	<u>\$ 26,254,012</u>	<u>\$ 27,776,976</u>	<u>\$ 32,401,966</u>	<u>\$ 34,214,997</u>	<u>\$ 37,971,569</u>	<u>\$ 46,686,677</u>
Primary government										
Net investment in capital assets	\$ 26,460,015	\$ 28,050,887	\$ 30,197,938	\$ 34,086,096	\$ 38,522,326	\$ 38,955,685	\$ 40,932,875	\$ 41,727,144	\$ 42,996,577	\$ 50,510,115
Restricted	4,131,610	3,402,268	2,089,196	2,703,723	3,936,486	3,878,259	4,536,111	6,054,293	7,832,513	7,418,797
Unrestricted	8,279,805	9,087,211	9,227,812	11,692,712	7,799,253	7,497,994	10,370,982	7,976,878	10,917,627	18,633,657
Total primary government net position	<u>\$ 38,871,430</u>	<u>\$ 40,540,366</u>	<u>\$ 41,514,946</u>	<u>\$ 48,482,531</u>	<u>\$ 50,258,065</u>	<u>\$ 50,331,938</u>	<u>\$ 55,839,968</u>	<u>\$ 55,758,315</u>	<u>\$ 61,746,717</u>	<u>\$ 76,562,569</u>

CITY OF RICHMOND HILL, GEORGIA

CHANGES IN NET POSITION LAST TEN FISCAL YEARS (accrual basis of accounting)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
General government	\$ 1,006,000	\$ 1,031,661	\$ 1,106,633	\$ 1,269,485	\$ 1,312,884	\$ 1,398,615	\$ 2,146,481	\$ 1,349,127	\$ 1,637,430	\$ 1,785,708
Judicial	38,129	37,909	35,586	37,234	36,081	37,434	41,703	40,926	165,305	186,728
Public safety	3,492,366	3,414,100	3,609,897	3,709,092	4,031,043	4,295,661	4,671,762	4,764,148	6,035,013	6,385,460
Public works	2,478,168	2,713,717	2,856,603	2,941,503	2,749,239	3,040,850	3,397,099	5,988,448	3,220,143	3,411,660
Culture and recreation	414,145	573,869	516,203	546,343	576,483	1,221,329	574,358	1,242,712	701,117	644,457
Housing and development	1,121,063	1,094,327	1,058,362	1,137,770	1,148,558	1,198,013	1,265,567	1,044,435	1,361,337	1,344,037
Interest on long-term debt	231,831	217,923	228,407	157,035	157,821	147,573	180,825	295,402	361,374	349,610
Total governmental activities expenses	<u>8,781,702</u>	<u>9,083,506</u>	<u>9,411,691</u>	<u>9,798,462</u>	<u>10,012,109</u>	<u>11,339,475</u>	<u>12,277,795</u>	<u>14,725,198</u>	<u>13,481,719</u>	<u>14,107,660</u>
Business-type activities:										
Water and sewer	3,491,140	3,128,755	3,267,197	4,004,582	4,525,632	8,528,365	6,260,332	5,912,160	6,164,843	6,462,647
Stormwater	-	-	-	-	-	303,599	669,914	807,704	656,029	608,798
Total business-type activities expenses	<u>3,491,140</u>	<u>3,128,755</u>	<u>3,267,197</u>	<u>4,004,582</u>	<u>4,525,632</u>	<u>8,831,964</u>	<u>6,930,246</u>	<u>6,719,864</u>	<u>6,820,872</u>	<u>7,071,445</u>
Total primary government expenses	<u>\$ 12,272,842</u>	<u>\$ 12,212,261</u>	<u>\$ 12,678,888</u>	<u>\$ 13,803,044</u>	<u>\$ 14,537,741</u>	<u>\$ 20,171,439</u>	<u>\$ 19,208,041</u>	<u>\$ 21,445,062</u>	<u>\$ 20,302,591</u>	<u>\$ 21,179,105</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 600	\$ -	\$ 675	\$ -	\$ 300	\$ -	\$ 525	\$ -	\$ -	\$ -
Public safety	599,752	535,207	612,898	803,694	778,407	842,546	588,719	612,177	764,505	1,695,230
Public works	605,401	622,279	770,595	791,031	824,295	843,522	860,251	894,547	922,790	1,120,034
Culture and recreation	47,715	45,980	46,404	43,727	56,720	41,305	46,782	26,634	23,100	1,505
Housing and development	237,882	216,456	218,360	344,927	335,112	531,888	495,582	372,053	1,524,924	459,102
Operating grants and contr.	16,010	14,500	4,953	87,555	84,845	14,053	657,375	55,788	267,575	1,251,945
Capital grants and contr.	1,769,540	1,725,035	1,699,290	3,623,583	1,846,499	1,797,897	2,929,789	2,305,833	2,922,427	6,445,873
Total governmental activities program revenues	<u>3,276,900</u>	<u>3,159,457</u>	<u>3,353,175</u>	<u>5,694,517</u>	<u>3,926,178</u>	<u>4,071,211</u>	<u>5,579,023</u>	<u>4,267,032</u>	<u>6,425,321</u>	<u>10,973,689</u>

(Continued)

CITY OF RICHMOND HILL, GEORGIA

CHANGES IN NET POSITION LAST TEN FISCAL YEARS (accrual basis of accounting)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Program Revenues (Continued)										
Business-type activities:										
Charges for services	2,514,585	2,797,922	3,052,474	3,758,182	4,644,946	6,758,327	6,978,473	7,593,868	7,890,519	7,761,189
Capital grants and contr.	1,680,714	1,315,675	1,051,323	4,452,598	1,824,762	2,348,525	4,499,283	1,410,996	2,383,506	7,994,353
Total business-type activities program revenues	<u>4,195,299</u>	<u>4,113,597</u>	<u>4,103,797</u>	<u>8,210,780</u>	<u>6,469,708</u>	<u>9,106,852</u>	<u>11,477,756</u>	<u>9,004,864</u>	<u>10,274,025</u>	<u>15,755,542</u>
Total primary government program revenues	<u>\$ 7,472,199</u>	<u>\$ 7,273,054</u>	<u>\$ 7,456,972</u>	<u>\$ 13,905,297</u>	<u>\$ 10,395,886</u>	<u>\$ 13,178,063</u>	<u>\$ 17,056,779</u>	<u>\$ 13,271,896</u>	<u>\$ 16,699,346</u>	<u>\$ 26,729,231</u>
Net (expense)/revenue										
Governmental activities	\$ (5,504,802)	\$ (5,924,049)	\$ (6,058,516)	\$ (4,103,945)	\$ (6,085,931)	\$ (7,268,264)	\$ (6,698,772)	\$ (10,458,166)	\$ (7,056,398)	\$ (3,133,971)
Business-type activities	704,159	984,842	836,600	4,206,198	1,944,076	274,888	4,547,510	2,285,000	3,453,153	8,684,097
Total primary government net expense	<u>\$ (4,800,643)</u>	<u>\$ (4,939,207)</u>	<u>\$ (5,221,916)</u>	<u>\$ 102,253</u>	<u>\$ (4,141,855)</u>	<u>\$ (6,993,376)</u>	<u>\$ (2,151,262)</u>	<u>\$ (8,173,166)</u>	<u>\$ (3,603,245)</u>	<u>\$ 5,550,126</u>
General Revenues										
Governmental activities:										
Taxes	\$ 6,013,140	\$ 6,234,530	\$ 6,123,132	\$ 6,799,149	\$ 6,911,407	\$ 6,919,478	\$ 7,364,258	\$ 8,039,403	\$ 8,568,759	\$ 8,949,764
Unrestricted grants and contri.	24,907	148,789	-	-	-	-	-	-	-	-
Unrestricted invest. earnings	14,628	16,703	11,881	12,487	14,832	22,557	41,761	95,544	150,039	69,064
Miscellaneous	76,090	120,996	12,052	6,872	18,596	54,124	175,793	20,717	264,647	215,887
Transfers	-	60,605	-	40,000	-	(1,176,986)	-	500,000	81,805	-
Total governmental activities	<u>6,128,765</u>	<u>6,581,623</u>	<u>6,147,065</u>	<u>6,858,508</u>	<u>6,944,835</u>	<u>5,819,173</u>	<u>7,581,812</u>	<u>8,655,664</u>	<u>9,065,250</u>	<u>9,234,715</u>
Business-type activities:										
Unrestricted investment earnings	146,454	87,125	49,428	46,824	47,938	40,652	20,745	33,693	55,321	31,011
Miscellaneous	-	-	3	-	28,718	30,438	56,735	-	329,903	-
Transfers	-	(60,605)	-	(40,000)	-	1,176,986	-	(500,000)	(81,805)	-
Total business-type activities	<u>146,454</u>	<u>26,520</u>	<u>49,431</u>	<u>6,824</u>	<u>76,656</u>	<u>1,248,076</u>	<u>77,480</u>	<u>(466,307)</u>	<u>303,419</u>	<u>31,011</u>
Total primary government	<u>\$ 6,275,219</u>	<u>\$ 6,608,143</u>	<u>\$ 6,196,496</u>	<u>\$ 6,865,332</u>	<u>\$ 7,021,491</u>	<u>\$ 7,067,249</u>	<u>\$ 7,659,292</u>	<u>\$ 8,189,357</u>	<u>\$ 9,368,669</u>	<u>\$ 9,265,726</u>
Changes in Net Position										
Governmental activities	\$ 623,963	\$ 657,574	\$ 88,549	\$ 2,754,563	\$ 858,904	\$ (1,449,091)	\$ 883,040	\$ (1,802,502)	\$ 2,008,852	\$ 6,100,744
Business-type activities	850,613	1,011,362	886,031	4,213,022	2,020,732	1,522,964	4,624,990	1,818,693	3,756,572	8,715,108
Total primary government	<u>\$ 1,474,576</u>	<u>\$ 1,668,936</u>	<u>\$ 974,580</u>	<u>\$ 6,967,585</u>	<u>\$ 2,879,636</u>	<u>\$ 73,873</u>	<u>\$ 5,508,030</u>	<u>\$ 16,191</u>	<u>\$ 5,765,424</u>	<u>\$ 14,815,852</u>

CITY OF RICHMOND HILL, GEORGIA

**FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)**

	Fiscal Years									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Nonspendable	\$ 4,320	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	400,000	60,084	60,084	199,301
Unassigned	<u>4,116,320</u>	<u>4,110,051</u>	<u>4,013,439</u>	<u>4,819,620</u>	<u>3,715,632</u>	<u>3,255,393</u>	<u>5,828,833</u>	<u>5,578,410</u>	<u>6,293,607</u>	7,631,599
Total general fund	<u>\$ 4,120,640</u>	<u>\$ 4,110,051</u>	<u>\$ 4,013,439</u>	<u>\$ 4,819,620</u>	<u>\$ 3,715,632</u>	<u>\$ 3,255,393</u>	<u>\$ 6,228,833</u>	<u>\$ 5,638,494</u>	<u>\$ 6,353,691</u>	\$ 7,830,900
All Other Governmental Funds										
Restricted										
Special revenue funds	\$ 119,137	\$ 137,211	\$ 166,157	\$ 175,624	\$ 208,040	\$ 228,542	\$ 233,398	\$ 185,446	\$ 255,973	\$ 377,064
Capital projects funds	1,893,635	1,136,769	901,259	692,100	1,164,226	1,292,147	1,805,502	4,012,823	4,586,620	2,616,261
Unassigned, reported in:										
Capital projects funds	-	-	-	-	-	-	-	-	-	(476,315)
Total all other governmental funds	<u>\$ 2,012,772</u>	<u>\$ 1,273,980</u>	<u>\$ 1,067,416</u>	<u>\$ 867,724</u>	<u>\$ 1,372,266</u>	<u>\$ 1,520,689</u>	<u>\$ 2,038,900</u>	<u>\$ 4,198,269</u>	<u>\$ 4,842,593</u>	\$ 2,517,010

CITY OF RICHMOND HILL, GEORGIA

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)**

	Fiscal Years									
	2011 (a)	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes	\$ 6,199,476	\$ 6,198,579	\$ 6,350,794	\$ 6,890,116	\$ 6,850,402	\$ 6,955,799	\$ 7,370,381	\$ 8,047,230	\$ 8,520,008	\$ 8,875,695
Licenses and permits	237,882	216,456	218,360	344,927	335,112	531,888	495,582	372,053	529,503	538,407
Intergovernmental	1,581,814	1,873,014	1,700,387	1,825,875	1,927,018	1,694,473	2,536,003	2,350,409	3,152,395	5,690,072
Charges for services	653,716	668,259	817,674	834,758	890,219	897,856	918,770	926,761	1,950,973	2,128,308
Fines and fees	599,752	535,207	612,898	803,694	769,503	829,517	577,507	606,597	754,843	523,245
Interest	45,608	31,311	15,237	15,550	18,058	27,153	46,773	106,456	187,646	96,902
Other	16,031	58,861	11,016	7,572	19,518	51,431	173,568	21,017	414,647	215,887
Total revenues	<u>9,334,279</u>	<u>9,581,687</u>	<u>9,726,366</u>	<u>10,722,492</u>	<u>10,809,830</u>	<u>10,988,117</u>	<u>12,118,584</u>	<u>12,430,523</u>	<u>15,510,015</u>	<u>18,068,516</u>
Expenditures										
General government	971,592	995,356	1,051,820	1,245,912	2,409,485	1,444,121	2,103,481	1,705,785	1,713,875	1,671,990
Judicial	38,129	37,909	35,586	37,234	36,081	37,434	41,703	40,926	164,292	181,923
Public Safety	3,233,377	3,170,617	3,365,471	3,395,084	3,773,279	4,000,990	4,347,955	4,673,201	5,271,205	5,642,715
Public works	1,887,272	1,935,518	2,080,855	2,115,769	2,308,231	4,159,769	2,514,277	5,658,550	2,972,618	2,824,519
Culture and recreation	334,790	453,056	425,997	462,401	508,597	507,831	511,058	1,099,557	870,272	510,712
Housing and development	960,702	964,333	885,977	970,002	989,091	1,061,674	1,161,426	894,109	1,082,091	1,132,351
Capital outlay	899,019	2,279,943	2,050,497	1,784,355	1,049,254	1,438,757	768,332	937,865	1,848,301	5,601,523
Debt service:										
Principal	387,924	333,452	756,361	336,062	564,781	635,530	495,284	650,112	655,749	1,858,094
Interest	235,501	221,489	201,271	157,339	158,444	147,108	183,417	266,306	351,622	357,063
Total expenditures	<u>8,948,306</u>	<u>10,391,673</u>	<u>10,853,835</u>	<u>10,504,158</u>	<u>11,797,243</u>	<u>13,433,214</u>	<u>12,126,933</u>	<u>15,926,411</u>	<u>14,930,025</u>	<u>19,780,890</u>
Excess of revenues over (under) expenditures	<u>385,973</u>	<u>(809,986)</u>	<u>(1,127,469)</u>	<u>218,334</u>	<u>(987,413)</u>	<u>(2,445,097)</u>	<u>(8,349)</u>	<u>(3,495,888)</u>	<u>579,990</u>	<u>(1,712,374)</u>
Other Financing Sources (Uses)										
Debt issuance	-	-	4,657,000	348,155	387,967	631,387	3,500,000	4,650,000	624,748	864,000
Payment to refunded bond agent	-	-	(3,832,707)	-	-	-	-	-	-	-
Sale of surplus property	-	-	-	-	-	-	-	7,100	-	-
Transfers in	835,405	488,744	398,139	470,011	508,613	2,025,558	520,964	1,035,417	729,766	1,259,911
Transfers out	(835,405)	(428,139)	(398,139)	(430,011)	(508,613)	(523,664)	(520,964)	(535,417)	(647,961)	(1,259,911)
Total other financing sources (uses)	<u>-</u>	<u>60,605</u>	<u>824,293</u>	<u>388,155</u>	<u>387,967</u>	<u>2,133,281</u>	<u>3,500,000</u>	<u>5,157,100</u>	<u>706,553</u>	<u>864,000</u>
Net change in fund balance	<u>\$ 385,973</u>	<u>\$ (749,381)</u>	<u>\$ (303,176)</u>	<u>\$ 606,489</u>	<u>\$ (599,446)</u>	<u>\$ (311,816)</u>	<u>\$ 3,491,651</u>	<u>\$ 1,661,212</u>	<u>\$ 1,286,543</u>	<u>\$ (848,374)</u>
Debt service as a percentage of non-capital expenditures	7.66%	6.47%	10.39%	5.44%	7.50%	7.52%	6.06%	6.30%	7.88%	15.71%

Notes:

Noncapital expenditures are total expenditures less capital outlay

(a) In calendar year 2020, management began reporting fire safety costs in the Fire Protection special revenue fund.

CITY OF RICHMOND HILL, GEORGIA

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN TAX DIGEST YEARS**

Tax Digest Year	Real Property						Other Personal Property	Tax Exempt Property	Total		Ratio of Total Assessed to Total Estimated Actual Value	Total Direct Tax Rate
	Residential	Commercial	Mobile Homes	Motor Vehicles	Industrial	Utility			Assessed Value	Estimated Actual Value		
2011 *	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	40.00%	-
2012	351,933,047	107,076,504	383,296	24,765,050	7,187,765	3,512,062	16,593,431	36,727,568	548,178,723	1,370,446,808	40.00%	4.209
2013	356,911,285	103,994,467	362,796	26,806,940	3,859,780	4,320,797	17,233,079	36,804,368	550,293,512	1,375,733,780	40.00%	4.209
2014	351,314,101	101,478,119	327,324	22,481,150	3,021,703	4,348,889	18,469,033	36,552,468	537,992,787	1,344,981,968	40.00%	4.209
2015	354,925,629	100,154,855	302,080	15,736,040	3,050,562	4,239,078	19,024,393	36,280,428	533,713,065	1,334,282,663	40.00%	4.209
2016	373,128,458	104,627,863	280,140	11,402,490	953,162	4,365,290	59,933,761	37,106,388	591,797,552	1,479,493,880	40.00%	4.209
2017	394,904,130	105,352,964	274,084	8,214,060	38,765,794	5,463,013	20,679,274	49,516,708	623,170,027	1,557,925,068	40.00%	4.132
2018	409,280,552	111,175,412	273,600	6,241,710	21,605,286	6,052,472	22,088,586	40,843,868	617,561,486	1,543,903,715	40.00%	4.132
2019	437,455,910	136,563,299	250,180	5,056,360	14,421,418	6,460,149	22,083,341	52,505,144	674,795,801	1,686,989,503	40.00%	4.132
2020	476,836,571	143,371,440	227,424	4,368,940	21,917,581	6,803,480	23,263,462	41,272,940	718,061,838	1,795,154,595	40.00%	4.132

Source: Bryan County Tax Commissioner City Only Consolidation and Evaluation Digest

Note: The ratio of total assessed to total estimated actual value is at 40.00% by state law. Tax rates are per \$1,000 net assessed value.

* - The information for 2011 was not readily available for this tax year.

CITY OF RICHMOND HILL, GEORGIA

**DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN CALENDAR YEARS**

(rate per \$1,000 of assessed value)

<u>Tax Year</u>	<u>Direct City</u>	<u>School District *</u>	<u>Overlapping Rates County</u>	<u>State</u>	<u>Total</u>
2011	4.209	15.537	6.900	0.250	26.896
2012	4.209	15.537	6.900	0.200	26.846
2013	4.209	15.537	8.150	0.150	28.046
2014	4.209	15.537	8.150	0.100	27.996
2015	4.209	15.537	8.150	0.050	27.946
2016	4.152	15.490	8.032	-	27.674
2017	4.132	15.345	7.990	-	27.467
2018	4.132	16.575	8.800	-	29.507
2019	4.132	16.575	8.561	-	29.268
2020	4.132	16.575	8.314	-	29.021

Source: Bryan County Tax Commissioner

* - Includes School Bond millage

CITY OF RICHMOND HILL, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

<u>Taxpayer</u>	<u>2020</u>			<u>2011</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value¹</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value¹</u>
L W Richmond Hill Investco	\$ 13,388,760	1	2.10%	\$ -		-
Caesarstone	11,747,985	2	1.84%	-		-
Buckeye Spec LLC	7,774,962	3	1.22%	-		-
Ashton Apartments LLC	7,718,440	4	1.21%	3,112,840	3	0.63%
Integrity Properties LLC	4,867,040	5	0.76%	-		-
The Ford Plantation Club Inc	4,820,596	6	0.76%	5,021,302	2	1.01%
Georgia Power Company	4,455,072	7	0.70%	1,803,365	9	0.36%
Publix Super Markets Inc	4,183,176	8	0.66%	-		-
Homes of Integrity	2,385,836	9	0.37%	-		-
Village Park Homes LLC	2,332,360	10	0.37%	-		-
Hobart Corporation	-		-	5,362,417	1	1.08%
NAP Richmond Hill LLC	-		-	2,998,280	4	0.60%
Bryan Bank & Trust	-		-	2,731,158	5	0.55%
Kroger The Co	-		-	2,376,880	6	0.48%
Sterling Bluff Investors, LLC	-		-	2,297,786	7	0.46%
Love's Travel Stops & Country	-		-	1,835,320	8	0.37%
The Kroger Co	-		-	1,667,894	10	0.33%
Total	<u><u>\$ 63,674,227</u></u>		<u><u>9.99%</u></u>	<u><u>\$ 29,207,242</u></u>		<u><u>5.87%</u></u>

Source: Bryan County Tax Commissioner

Note: Total assessed value used to calculate the percentage of the total digest was from the 2012 digest assessed value since the 2011 assessed value amounts were not available.

CITY OF RICHMOND HILL, GEORGIA

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Calendar Year ⁽¹⁾	Total Tax Levy ⁽²⁾	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 1,994,343	n/a	n/a	n/a	n/a	n/a
2012	1,947,612	n/a	n/a	n/a	n/a	n/a
2013	1,965,432	n/a	n/a	n/a	n/a	n/a
2014	1,923,185	\$ 1,813,862	94.32%	\$ 109,323	\$ 1,923,185	100.00%
2015	1,942,674	1,829,022	94.15%	98,520	1,927,542	99.22%
2016	2,147,376	1,909,683	88.93%	111,665	2,021,348	94.13%
2017	2,222,211	1,993,321	89.70%	109,476	2,102,797	94.63%
2018	2,215,717	2,101,408	94.84%	63,395	2,164,803	97.70%
2019	2,393,646	2,308,774	96.45%	71,318	2,380,092	99.43%
2020	2,595,455	2,490,690	95.96%	-	2,490,690	95.96%

Source: Bryan County Tax Commissioner

⁽¹⁾ Taxes are assessed for the calendar year beginning January 1.

⁽²⁾ The total tax levy is the original state approved levy and includes real property, industrial property, personal property, mobile homes and public utilities.

n/a - Collections for 2011 through 2013 were not readily available.

CITY OF RICHMOND HILL, GEORGIA

WATER AND SEWER RATES LAST TEN FISCAL YEARS

Year	Monthly Water Rates for Residential					Monthly Sewer Rates for Residential				
	Inside City					Inside City				
	Base Charge	Tier 1 (0 to 6,000 gallons)	Tier 2 (6,001 to 10,000 gallons)	Tier 3 (10,001 to 25,000 gallons)	Tier 4 (25,001 & above)	Base Charge	Tier 1 (0 to 6,000 gallons)	Tier 2 (6,001 to 10,000 gallons)	Tier 3 (10,001 to 25,000 gallons)	Tier 4 (25,001 & above)
2011	6.50	1.30	1.50	1.90	2.80	6.50	1.30	1.50	1.90	2.80
2012	8.50	1.50	1.70	2.10	3.00	8.50	1.50	1.70	2.10	3.00
2013	10.50	1.70	1.90	2.30	3.20	10.50	1.70	1.90	2.30	3.20
2014	12.50	1.90	2.10	2.50	3.40	12.50	1.90	2.10	2.50	3.40
2015	16.50	2.35	2.55	2.95	3.85	16.50	2.35	2.55	2.95	3.85
2016	20.50	3.20	3.40	3.80	4.70	20.50	3.20	3.40	3.80	4.70
2017	20.50	3.20	3.40	3.80	4.70	20.50	3.20	3.40	3.80	4.70
2018	20.50	3.20	3.40	3.80	4.70	20.50	3.20	3.40	3.80	4.70
2019	20.50	3.20	3.40	3.80	4.70	20.50	3.20	3.40	3.80	4.70
2020	20.50	3.20	3.40	3.80	4.70	20.50	3.20	3.40	3.80	4.70

Year	Monthly Water Rates for Commercial		Monthly Sewer Rates for Commercial		Monthly Irrigation Rates Inside City	
	Base Charge	Volume Charge per 1,000 gallons	Base Charge	Volume Charge per 1,000 gallons	Base Charge	Volume Charge per 1,000 gallons
2011	9.50	1.90	9.50	1.90	6.50	2.80
2012	11.50	2.10	11.50	2.10	8.50	3.00
2013	13.50	2.30	13.50	2.30	10.50	3.20
2014	15.50	2.50	15.50	2.50	12.50	3.40
2015	19.50	2.95	19.50	2.95	16.50	3.85
2016	23.50	2.80	23.50	2.80	20.50	4.70
2017	23.50	2.80	23.50	2.80	20.50	4.70
2018	23.50	2.80	23.50	2.80	20.50	4.70
2019	23.50	2.80	23.50	2.80	20.50	4.70
2020	23.50	2.80	23.50	2.80	20.50	4.70

Note: Water and sewer rates for customers outside of the city limits shall be calculated at 150% of the current rate.

CITY OF RICHMOND HILL, GEORGIA

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN CALENDAR YEARS**

Calendar Year	Governmental Activities			Business-type Activities				Total Primary Government	Percentage of Personal Income ^(a)	Per Capita ^(a)	
	Capital Leases	Contractual Obligations	Note Payable	Capital Leases	SRF Loan	GEFA Loans	Revenue Bonds				Contractual Obligations
2011	\$ 841,527	\$ 4,026,165	\$ -	\$ -	\$ -	\$ 5,866,467	\$ 68,000	\$ -	\$ 10,802,159	4.36%	\$ 1,098
2012	651,864	3,882,376	-	-	-	6,512,315	28,000	-	11,074,555	4.05%	1,052
2013	22,965	3,696,216	803,128	-	-	7,703,940	-	-	12,226,249	4.20%	1,125
2014	343,815	3,429,537	761,050	-	-	13,017,147	-	-	17,551,549	5.70%	1,572
2015	487,010	3,153,099	717,479	-	-	28,292,470	-	-	32,650,058	9.77%	2,772
2016	579,267	2,866,861	672,363	234,954	-	27,275,003	-	-	31,628,448	9.10%	2,599
2017	427,727	6,069,833	625,647	190,757	-	23,656,682	1,992,671	-	32,963,317	9.07%	2,620
2018	329,098	10,216,723	577,274	-	-	22,468,343	1,798,262	-	35,389,700	9.33%	2,685
2019	867,344	9,697,564	527,186	-	-	23,784,811	1,599,055	-	36,475,960	8.74%	2,636
2020	1,567,465	8,055,213	475,322	152,976	-	25,690,321	1,394,933	-	37,336,230	7.91%	2,575

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

^(a) These ratios are calculated using personal income and population for the prior calendar year.

CITY OF RICHMOND HILL, GEORGIA

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2020**

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^(a)</u>	<u>Estimated Share of Overlapping Debt</u>
City of Richmond Hill			
Note Payable	\$ 475,322	100.00%	\$ 475,322
Contractual obligations			
Richmond Hill Public Facilities Authority Revenue Bond, Series 2017	2,898,089	100.00%	2,898,089
Richmond Hill CVB Authority Refunding Revenue Bond, Series 2013	1,612,124	100.00%	1,612,124
Intergovernmental payable			
General Obligation Transportation Sales Tax Bonds, Series 2018	3,545,000	100.00%	3,545,000
Capital Leases	1,567,465	100.00%	1,567,465
Total Direct Debt	<u>10,098,000</u>		<u>10,098,000</u>
Bryan County, Georgia			
Notes Payable	731,738	37.04%	271,036
Bonds Payable	3,545,000	37.04%	1,313,068
Capital Leases	21,828,820	37.04%	8,085,395
Bryan County School Board			
General Government Series 2018	74,250,000	37.04%	27,502,200
Overlapping Debt			<u>37,171,699</u>
Total direct and overlapping debt			<u>\$ 47,269,699</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Bryan County Board of Taxation. Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term-debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt, of each overlapping payment.

^(a) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the City's boundaries and dividing it by each unit's total taxable value.

CITY OF RICHMOND HILL, GEORGIA

LEGAL DEBT MARGIN INFORMATION LAST TEN CALENDAR YEARS

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total assessed value of taxable property	\$ -	\$ 511,451,155	\$ 513,489,144	\$ 501,440,319	\$ 497,432,637	\$ 554,691,164	\$ 573,653,319	\$ 576,717,618	\$ 622,290,657	\$ 676,788,898
Less exemptions for bond purposes	-	13,528,959	14,060,600	15,426,502	17,357,920	20,998,729	24,075,787	28,150,174	33,617,757	39,167,710
Net assessed value for bond purposes	<u>\$ -</u>	<u>\$ 497,922,196</u>	<u>\$ 499,428,544</u>	<u>\$ 486,013,817</u>	<u>\$ 480,074,717</u>	<u>\$ 533,692,435</u>	<u>\$ 549,577,532</u>	<u>\$ 548,567,444</u>	<u>\$ 588,672,900</u>	<u>\$ 637,621,188</u>
Debt limit percentage	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Debt limit	\$ -	\$ 49,792,220	\$ 49,942,854	\$ 48,601,382	\$ 48,007,472	\$ 53,369,244	\$ 54,957,753	\$ 54,856,744	\$ 58,867,290	\$ 63,762,119
Total net debt applicable to limit: General obligation bonds (net of set aside)	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ -</u>	<u>\$ 49,792,220</u>	<u>\$ 49,942,854</u>	<u>\$ 48,601,382</u>	<u>\$ 48,007,472</u>	<u>\$ 53,369,244</u>	<u>\$ 54,957,753</u>	<u>\$ 54,856,744</u>	<u>\$ 58,867,290</u>	<u>\$ 63,762,119</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

The present constitutional limit on direct general obligation bonds for the City of Richmond Hill is the amount equivalent to 10% of the net assessed valuation of taxable property for debt service (bond) purposes.

The Constitutional debt limitation applies to all general obligation bonds authorized. Additional general obligation bonds may authorized to be issued if so approved by a majority of those voting in an election held for that purpose. The City of Richmond Hill has no general obligation bonds authorized but unissued.

CITY OF RICHMOND HILL, GEORGIA

**PLEGDED-REVENUE COVERAGE
LAST TEN CALENDAR YEARS**

Water and Sewer Long-Term Obligations

Fiscal Year	Utility Service Charges ^(a)	Operating Expenses ^(b)	Net Available Revenue	Debt Service ^(c)		Coverage
				Principal	Interest	
2011	\$ 2,514,585	\$ (2,761,251)	\$ (246,666)	\$ 474,580	\$ 191,630	(0.37)
2012	2,797,922	(2,376,101)	421,821	453,661	174,408	0.67
2013	3,052,477	(2,491,555)	560,922	456,085	158,172	0.91
2014	3,758,182	(3,050,191)	707,991	488,188	204,786	1.02
2015	4,673,664	(3,476,731)	1,196,933	742,016	286,610	1.16
2016	6,491,966	(4,261,020)	2,230,946	1,354,105	511,183	1.20
2017	6,519,930	(4,523,673)	1,996,257	1,625,650	490,717	0.94
2018	6,746,453	(4,216,941)	2,529,512	1,382,749	416,906	1.41
2019	7,671,075	(4,478,405)	3,192,670	1,370,020	406,532	1.80
2020	7,191,210	(4,857,205)	2,334,005	796,475	231,942	2.27

^(a)Utility service charges do not include capital contributions from connection fees.

^(b)Operating expenses do not include interest, depreciation, or amortization expenses.

^(c)Details regarding the City's outstanding debt can be found in the notes to the financial statements.

CITY OF RICHMOND HILL, GEORGIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS

<u>Year</u>	<u>Population*</u>	<u>Personal Income ⁽¹⁾</u>	<u>Per Capita Personal Income ⁽¹⁾</u>	<u>Median Age ⁽¹⁾</u>	<u>Unemployment Rate ⁽²⁾</u>
2011	9,835	\$ 247,684,640	\$ 25,184	31.0	8.6%
2012	10,528	273,506,912	25,979	31.0	7.3%
2013	10,868	290,979,832	26,774	31.6	6.6%
2014	11,162	307,725,178	27,569	31.6	5.7%
2015	11,779	334,111,335	28,365	31.6	4.8%
2016	12,170	347,636,050	28,565	31.6	4.5%
2017	12,580	363,398,460	28,887	31.6	3.7%
2018	13,180	379,412,660	28,787	31.6	3.0%
2019	13,839	417,494,952	30,168	32.8	2.4%
2020	14,500	471,951,417	32,548	32.4	4.2%

Sources:

* US Census Bureau - population based on 2010 Census with Census estimates applied to subsequent years

⁽¹⁾ United States Census Bureau - Community Facts

⁽²⁾ www.city-data.com/city/richmond-hill-georgia.html

CITY OF RICHMOND HILL, GEORGIA

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

<u>Employer</u>	<u>2020</u>			<u>2011 *</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
Bryan County Board of Education	850	1	16.38%	-	-	-
Kroger	208	2	4.01%	-	-	-
MaclJon	200	3	3.86%	-	-	-
Caesarstone	180	4	3.47%	-	-	-
Publix	168	5	3.24%	-	-	-
Ford Plantation	120	6	2.31%	-	-	-
City of Richmond Hill	110	7	2.12%	-	-	-
Sommer's Oil	85	8	1.64%	-	-	-
Love's Travel Stop	45	9	0.87%	-	-	-
Richmond Hill montessori Preschool	45	10	0.87%	-	-	-
Total	<u>2,011</u>		<u>38.76%</u>	<u>-</u>		<u>0.00%</u>

Source: Development Authority of Bryan County

Notes:

* The employment information was not readily available from 2011.

CITY OF RICHMOND HILL, GEORGIA

**FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN CALENDAR YEARS**

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government	16	14	17	16	17	17	18	15	15	13
Judiciary	3	3	2	2	2	3	2	2	4	4
Public safety	46	46	47	47	53	53	56	65	67	70
Public works	-	-	-	-	-	-	-	-	-	-
Culture and recreation	4	4	5	4	4	6	5	6	6	5
Housing and development	12	11	12	12	11	11	11	11	11	11
Water and sewer services	3	3	2	3	4	4	3	5	6	6
Total	84	81	85	84	91	94	95	104	109	110

Source: City Personnel Records

CITY OF RICHMOND HILL, GEORGIA

**OPERATING INDICATORS BY FUNCTION
LAST TEN CALENDAR YEARS**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police:										
Arrests	n/a	748	822	646						
Accidents	n/a	822	806	696						
Investigations	n/a	8,873	15,496	15,641						
Fire:										
Number of calls	n/a	n/a	n/a	n/a	931	1,341	1,441	1,370	1,528	2,157
Fire calls	n/a	n/a	n/a	n/a	32	49	59	65	41	45
Non-Fire calls	n/a	n/a	n/a	n/a	899	1,292	1,382	1,305	1,487	2,112
Public works:										
Streets (miles)	51.15	51.68	51.91	53.08	54.43	55.03	56.19	56.19	58.57	61.89
Canals (miles)	11.13	11.13	11.13	11.13	11.13	11.13	11.13	11.13	11.13	11.13
Storm water drainage (miles)	39.07	39.07	39.07	39.07	39.07	39.07	39.07	39.47	42.28	43.18
Water:										
Average daily consumption (millions of gallons)	n/a	n/a	n/a	1.239	1.272	1.380	1.378	1.371	1.588	1.892
Sewer:										
Average daily sewage treatment (millions of gallons)	n/a	n/a	n/a	n/a	1.554	1.465	1.312	1.319	1.426	1.598
Public Development										
Building permits for all categories - commercial and residential	n/a	831	792							

Sources: City records

n/a - This information is not available.

CITY OF RICHMOND HILL, GEORGIA

**CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN CALENDAR YEARS**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Fire stations	2	2	2	2	2	2	2	2	2	2
Public works:										
Streets (miles)	51.15	51.68	51.91	53.08	54.43	55.03	56.19	56.19	58.57	61.89
Canals (miles)	11.13	11.13	11.13	11.13	11.13	11.13	11.13	11.13	11.13	11.13
Storm water drainage (miles)	39.07	39.07	39.07	39.07	39.07	39.07	39.07	39.47	42.28	43.18
Parks and recreation:										
Parks	4	4	4	4	4	4	4	4	4	4
Water:										
Water mains (miles)	99.25	99.25	99.54	103.50	101.06	72.76	87.82	93.43	95.82	98.74
Wells	3	3	3	3	4	4	4	4	4	4
Wastewater:										
Sanitary sewers (miles)	92.64	92.64	93.11	93.11	101.67	101.67	121.62	122.19	127.46	130.58
Maximum daily treatment capacity (millions of gallons)	-	-	-	1.50	1.50	3.00	3.00	3.00	3.00	3.00

Sources: City records

n/a - This information is not available.

CITY OF RICHMOND HILL, GEORGIA

**WATER SYSTEM PRODUCTION, SEWERAGE TREATMENT AND NUMBER OF CUSTOMERS
LAST TEN CALENDAR YEARS**

Year	Ground Water Production		Sewerage Treatment Facility		Number of Accounts
	Daily Average (MGD)	Peak Day (MGD)	Capacity (MGD)	Average Influent Flow (MGD)	
2011	n/a	n/a	n/a	n/a	n/a
2012	n/a	n/a	n/a	n/a	n/a
2013	n/a	n/a	n/a	n/a	n/a
2014	1.239	2.025	1.500	n/a	5,307
2015	1.272	2.031	1.500	1.554	5,451
2016	1.380	2.320	3.000	1.465	5,563
2017	1.378	4.237	3.000	1.312	5,736
2018	1.371	2.411	3.000	1.319	6,038
2019	1.588	3.617	3.000	1.426	6,302
2020	1.892	3.976	3.000	1.598	6,556

Sources: City records

n/a - This information is not available.



COMPLIANCE SECTION



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

**The Honorable Mayor and Members
of the City Council
City of Richmond Hill, Georgia
Richmond Hill, Georgia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Richmond Hill, Georgia (the "City") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 7, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "Mauldin & Jenkins, LLC".

Savannah, Georgia
May 7, 2021



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Mayor and Members
of the City Council
City of Richmond Hill, Georgia
Richmond Hill, Georgia

Report on Compliance for Each Major Federal Program

We have audited the City of Richmond Hill, Georgia's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended December 31, 2020. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the City's major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2020.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Savannah, Georgia
May 7, 2021

CITY OF RICHMOND HILL, GEORGIA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Grant Identification Number	Expenditures
U.S. Department of Interior's National Park Service			
Passed through Georgia Department of Natural Resources Historic Preservation Fund Grants-In-Aid	15.904	N/A	\$ 17,316
			<u>17,316</u>
U.S. Department of Homeland Security			
Direct Award Staffing for Adequate Fire and Emergency Response	97.083	EMW-2018-FH-00191	194,518
			<u>194,518</u>
U.S. Department of the Treasury			
Passed through Georgia Governors Office of Planning and Budget CARES Act - Coronavirus Relief Fund	21.019	N/A	724,440
			<u>724,440</u>
U.S. Department of Justice			
Direct Award Equitable Sharing Program	16.922	N/A	2,500
			<u>2,500</u>
Total Expenditures of Federal Awards			\$ <u>938,774</u>

CITY OF RICHMOND HILL, GEORGIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Richmond Hill, Georgia (the "City") and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of 2 CFR Part 200, OMB's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2. NON-CASH ASSISTANCE AND LOANS

There were no federal awards expended in the form of noncash assistance during the year. There were also no loans or loan guarantees outstanding at year-end.

NOTE 3. DE MINIMIS INDIRECT COST RATE

The City did not use the 10% de minimis indirect cost rate.

NOTE 4. SUBRECIPIENTS

The City didn't pass any funds through to subrecipients during the fiscal year ended December 31, 2020.

CITY OF RICHMOND HILL, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

Yes No

Significant deficiencies identified not considered
to be material weaknesses?

Yes No

Noncompliance material to financial statements noted?

Yes No

Federal Awards

Internal control over major programs:

Material weaknesses identified?

Yes No

Significant deficiencies identified not considered
to be material weaknesses?

Yes None Reported

Type of auditor's report issued on compliance for
major programs

Unmodified

Any audit findings disclosed that are required to
be reported in accordance with 2 CFR part 200?

Yes No

Identification of major programs:

CFDA Number

21.019

Name of Federal Program or Cluster

U.S. Department of the Treasury
Coronavirus Relief Fund

Dollar threshold used to distinguish between
Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

Yes No

CITY OF RICHMOND HILL, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION III
STATUS OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

SECTION IV
STATUS OF PRIOR YEAR FINDINGS

None reported.