



City of Richmond Hill, Georgia

Annual Comprehensive Financial Report

Year Ended December 31, 2021



ANNUAL COMPREHENSIVE FINANCIAL REPORT

CITY OF RICHMOND HILL, GEORGIA
FOR THE YEAR ENDED DECEMBER 31, 2021



PREPARED BY
DEPARTMENT OF FINANCE
40 RICHARD DAVIS DRIVE, RICHMOND HILL, GEORGIA 31324
JUNE 7, 2022



CITY OF RICHMOND HILL, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2021

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INTRODUCTORY SECTION





June 7, 2022

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 Annual Comprehensive Financial Report (“ACFR”) of the City of Richmond Hill, Georgia (the “City”) for the year ended December 31, 2021. Management assumes full responsibility for the completeness and reliability of the information contained in thereport, 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 and Jenkins, LLC has issued an unmodified (“clean”) opinion on the City’s financial statements for the year ended December 31, 2021. The Independent Auditors’ Report is located at the front of the financial section of this report. Information related to auditors’ reports on the internal control and compliance with applicable laws and regulations, and a schedule of findings and responses 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 Auditors’ 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 continued to be impacted during 2021 by the COVID-19 pandemic much like the State and the Nation. However, as many of the restrictions were lifted by the State and life began to get back to a more normal routine, the local economy began to recover as can be seen in the City's ACFR.

The City of Richmond Hill 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 of Richmond Hill 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 December 2021, unemployment in Richmond Hill was 1.9% compared to 3.9% nationally and 2.9% for the State of Georgia as a whole.

Overall, five industry groups account for over half of the jobs in Richmond Hill: educational (13.8%), health care (11.8%) accommodation and food services (11.0%), manufacturing (10.5%) and retail trade (10.1%). 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. However, these numbers rebounded significantly in 2021 with the easing of travel restrictions. Revenues from this revenue source increased 64% from 2020.

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 5% each of the past five years. Richmond Hill has historically levied a low property tax rate. For 2021, 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, 2021, unassigned fund balance in the general fund (76.2% 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 2022 budget and current expenditures and transfers out are balanced with current revenues and transfers in.

The adopted 2021 budget assumed an 8% growth in the total taxable value of property in the City and tentatively set a 2022 property tax of 4.132 mills; the same as the final millage rate for 2021 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 completed during the year include the Great Ogeechee Parkway which connects Harris Trail and Belfast Keller roads in the City. Phase II of the water and sewer south annexation project has been completed and phase III is in process. There are plans for the development of residential subdivisions along the new parkway as well as new businesses in the area. Fire Station #3 was 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.

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 completed the Great Ogeechee Parkway 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. The City has completed constructing a fire station and purchasing the necessary equipment to service the industrial park and new residential communities that began in the latter part of 2021. 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 schedule 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.

Tax Abatements

The Development Authority of Bryan County is responsible for monitoring compliance with any tax abatement agreements in the industrial park. The objective of the City with these agreements is to attract other businesses to the industrial park in order to increase community investment and to create jobs for the local economy.

Other Information

Awards

The Government Finance Officer Association of the United States and Canada ("GFOA") awarded a Certificate for Excellence in Financial Reporting to the City of Richmond Hill, Georgia, for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2020. This was the first year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

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 various 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,



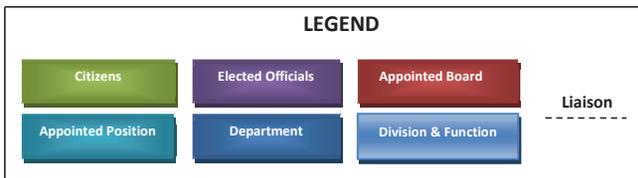
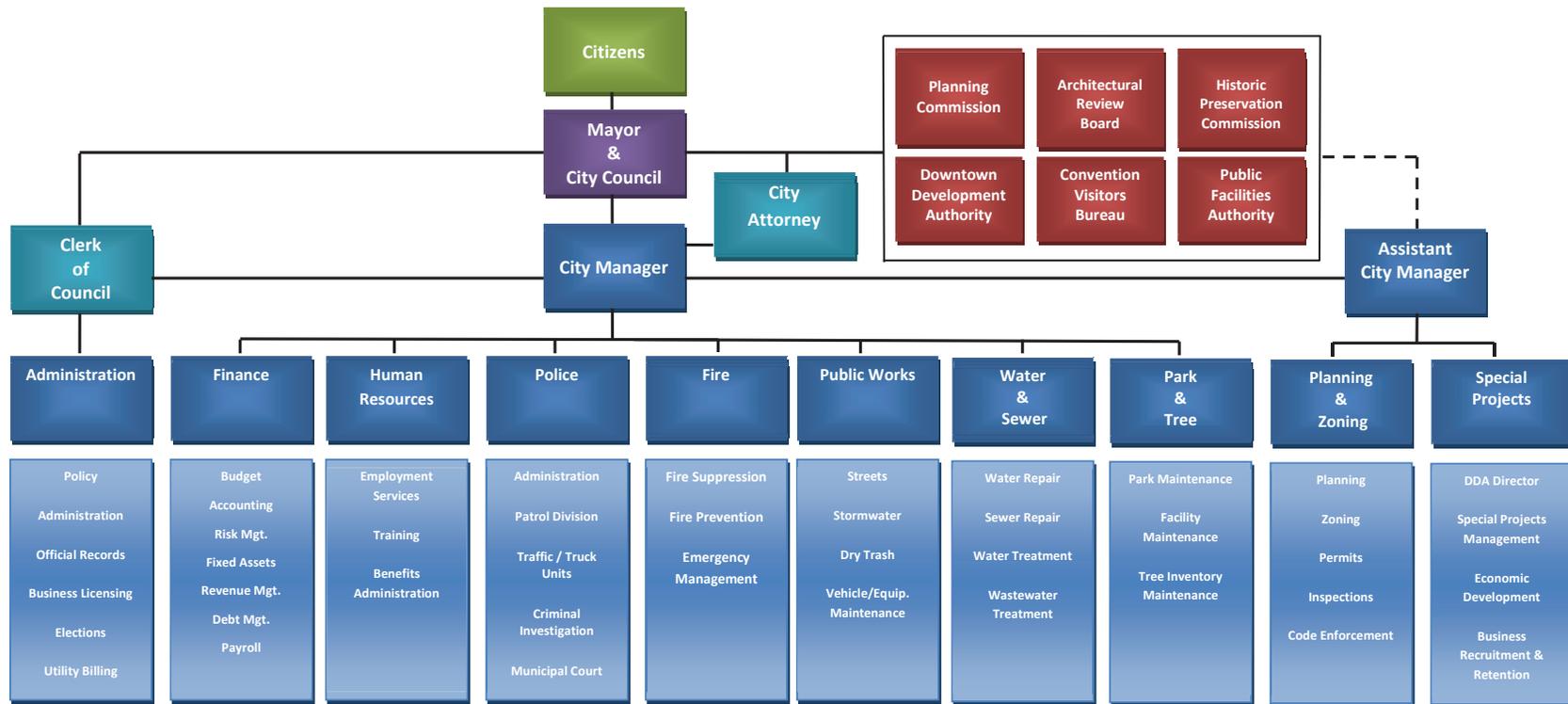
Chris Lovell, City Manager



Derrick Cowart, Finance Director

CITY OF RICHMOND HILL, GEORGIA

ORGANIZATIONAL CHART BY DEPARTMENT/FUNCTION DECEMBER 31, 2021



CITY OF RICHMOND HILL, GEORGIA

LIST OF PRINCIPAL OFFICIALS DECEMBER 31, 2021

Mayor and Council Members



Kristi Cox
Mayor Pro Tem
Post 1



Robbie Ward
Post 2



Russ Carpenter
Mayor



Les Fussell
Post 3



Steve Scholar
Post 4

Other City 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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Richmond Hill
Georgia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

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 Audit of the Financial Statements

Opinions

We have audited 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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, the Fire Fund, and the American Rescue Plan Act ("ARPA") Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 5 through 18), the Schedule of Changes in the City's Net Pension Liability and Related Ratios, and the Schedule of City Contributions (on pages 64 through 67) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The 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, 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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, 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required By Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2022, 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.

Mauldin & Jenkins, LLC

Savannah, Georgia
June 7, 2022

CITY OF RICHMOND HILL, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021

INTRODUCTION

Our Management's Discussion and Analysis ("MD&A") of the financial performance of the City of Richmond Hill, Georgia (the "City") provides an overview of the City's financial activities for the calendar year ended December 31, 2021. The intent of this MD&A 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 and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at December 31, 2021 by \$87,314,031 (net position). Of this amount, \$25,453,005 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors. This is an increase of \$6,819,348 from 2020. The Convention and Visitor's Bureau ("CVB") component unit has a balance of \$170,811 in net position, which is restricted for tourism-related expenses.
- The City's total net position increased \$10,751,462 from the previous year with a \$5,738,355 increase resulting from governmental activities, and a \$5,013,107 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 increases in collection of local option sales tax, the special purpose local option sales tax, the transportation special purpose local option sales tax and hotel/motel 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 \$36,861,696 at year-end, a decrease of \$2,630,457 from the previous calendar year. The decrease was due to scheduled debt payments and a significant decrease in the net pension liability which is a net pension asset for 2021.

Fund Financial Statements

- At December 31, 2021, the City's governmental funds balance sheet reports combined ending fund balances of \$14,299,507, an increase of \$3,951,597 under the previous calendar year.
- The General Fund reported an unassigned fund balance of \$8,240,329, an increase from 2020 of \$608,730. The City's General Fund enjoys a solid financial position, and is well positioned to improve overall in 2022 and beyond.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- The Special Purpose Local Option Sales Tax ("SPLOST") VII capital projects fund had a fund balance of \$3,481,450, an increase of \$865,189 from a year ago. The increase is due to SPLOST collections 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 of \$838,565, an increase of \$1,314,880 from a year ago. The increase is due to TSPLOST collections exceeding expenditures. TSPLOST collections did exceed expectations and projects were completed at the beginning of the year with new projects not scheduled to begin until 2022 which has kept expenditures lower than the previous year.
- The Nonmajor Governmental Funds ended the year with a fund balance of \$456,193. 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 19 and 20 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 21 – 24, 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 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 28 – 31 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 32 – 63 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, Fire Department Fund and American Rescue Plan Act ("ARPA") Fund on pages 25 – 27. Individual schedules, which present a more detailed view of nonmajor funds used in governmental funds, begin on page 68. 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, 2021. 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 (governmental and business-type activities) totaled \$87.3 million at December 31, 2021. The following table presents a summary of the City's net position at December 31, 2021:

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current assets	\$ 19,977,637	\$ 13,628,312	\$ 18,877,483	\$ 18,262,061	\$ 38,855,120	\$ 31,890,373
Non-current assets	367,009	-	3,501,536	-	3,868,545	-
Capital assets, net	29,962,178	30,459,059	58,841,673	57,387,286	88,803,851	87,846,345
Total assets	<u>50,306,824</u>	<u>44,087,371</u>	<u>81,220,692</u>	<u>75,649,347</u>	<u>131,527,516</u>	<u>119,736,718</u>
Deferred outflows of resources - pensions	<u>913,158</u>	1,431,704	<u>52,588</u>	95,276	<u>965,746</u>	1,526,980
Current liabilities	5,650,364	3,235,086	789,802	1,638,462	6,440,166	4,873,548
Non-current liabilities	8,219,990	12,097,374	28,641,706	27,394,779	36,861,696	39,492,153
Total liabilities	<u>13,870,354</u>	<u>15,332,460</u>	<u>29,431,508</u>	<u>29,033,241</u>	<u>43,301,862</u>	<u>44,365,701</u>
Deferred inflows of resources - pensions	<u>1,735,381</u>	310,723	<u>141,988</u>	24,705	<u>1,877,369</u>	335,428
Net position:						
Net investment in capital assets	21,573,113	20,361,059	30,027,032	30,149,056	51,600,145	50,510,115
Restricted for:						
Capital projects	4,483,056	2,733,897	5,143,787	4,226,171	9,626,843	6,960,068
Other purposes	634,038	458,729	-	-	634,038	458,729
Unrestricted	8,924,040	6,322,207	16,528,965	12,311,450	25,453,005	18,633,657
Total net position	<u>\$ 35,614,247</u>	<u>\$ 29,875,892</u>	<u>\$ 51,699,784</u>	<u>\$ 46,686,677</u>	<u>\$ 87,314,031</u>	<u>\$ 76,562,569</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

The largest portion of the City's net position (59.1%) reflects 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 (11.8%) represents resources that are subject to external restrictions on how they may be used. The remaining 29.1% 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, 2021:

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues:						
Charges for services	\$ 3,328,701	\$ 3,275,871	\$ 8,103,693	\$ 7,761,189	\$ 11,432,394	\$ 11,037,060
Operating grants and contributions	504,326	1,251,945	-	-	504,326	1,251,945
Capital grants and contributions	5,712,379	6,445,873	3,758,947	7,994,353	9,471,326	14,440,226
General revenues:						
Property taxes	3,679,513	3,305,869	-	-	3,679,513	3,305,869
Sales taxes	3,080,597	2,437,245	-	-	3,080,597	2,437,245
Other taxes	3,645,255	3,206,650	-	-	3,645,255	3,206,650
Unrestricted investment earnings	33,826	69,064	20,153	31,011	53,979	100,075
Miscellaneous	225,404	215,887	122,146	-	347,550	215,887
Transfers	(453,203)	-	453,203	-	-	-
Total revenues	19,756,798	20,208,404	12,458,142	15,786,553	32,214,940	35,994,957
Expenses						
General government	1,584,237	1,785,708	-	-	1,584,237	1,785,708
Judiciary	181,603	186,728	-	-	181,603	186,728
Public safety	6,511,260	6,385,460	-	-	6,511,260	6,385,460
Public works	3,342,281	3,411,660	-	-	3,342,281	3,411,660
Culture and recreation	654,121	644,457	-	-	654,121	644,457
Housing and development	1,451,476	1,344,037	-	-	1,451,476	1,344,037
Interest on long-term debt	293,465	349,610	-	-	293,465	349,610
Water and sewer	-	-	6,737,488	6,462,647	6,737,488	6,462,647
Storm water	-	-	707,547	608,798	707,547	608,798
Total expenses	14,018,443	14,107,660	7,445,035	7,071,445	21,463,478	21,179,105
Change in net position	5,738,355	6,100,744	5,013,107	8,715,108	10,751,462	14,815,852
Net position - beginning,	29,875,892	23,775,148	46,686,677	37,971,569	76,562,569	61,746,717
Net position - ending	\$ 35,614,247	\$ 29,875,892	\$ 51,699,784	\$ 46,686,677	\$ 87,314,031	\$ 76,562,569

MANAGEMENT'S DISCUSSION AND ANALYSIS

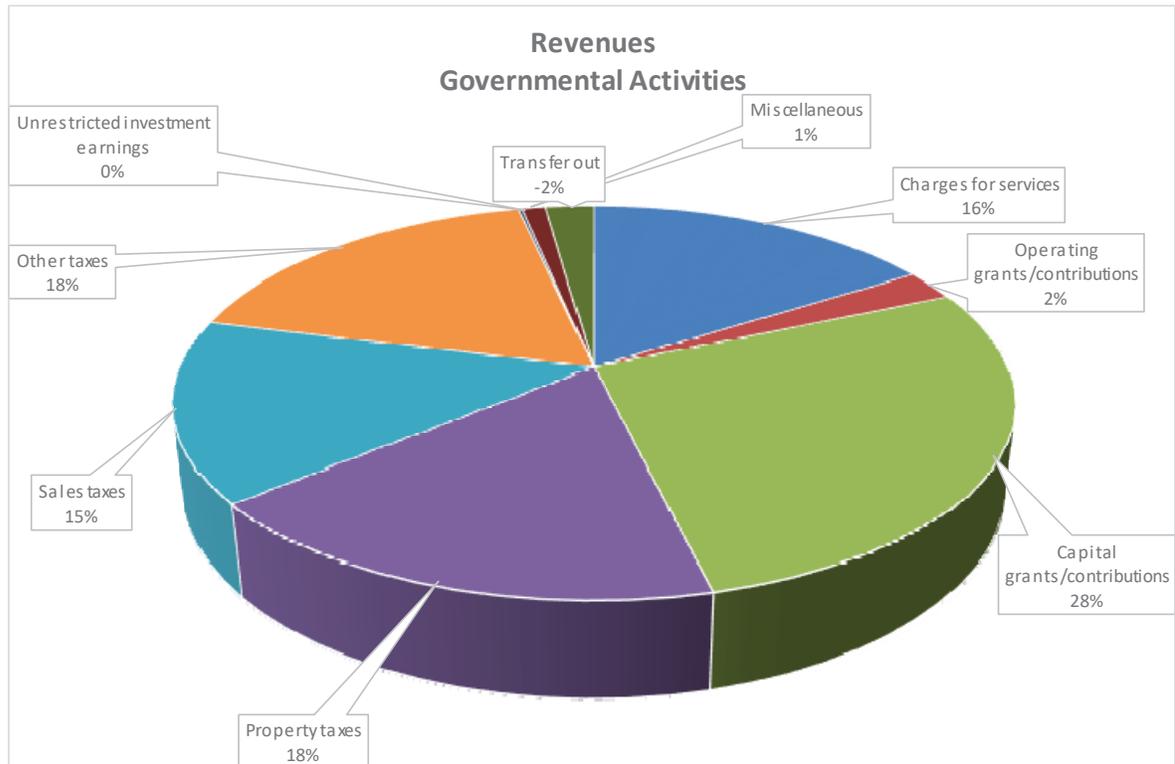
Governmental activities

The City's governmental activities revenues decreased \$451,606 from 2020 to 2021 and consists of:

- Property taxes reflected a \$374 thousand increase. Real and personal property tax increased by \$180 thousand. The City's millage rate remained the same as the previous year; however, the property values increased 9% from increase in assessments and new construction which resulted in an increase in property tax. The title ad valorem tax ("TAVT") increased \$147 thousand due to increased vehicle prices and sales. 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 and is based on the value of the automobile.
- Sales tax increased by \$643 thousand (26%) from the prior year which is a clear indication of a strong local economy.
- Other taxes experienced an increase of \$439 thousand from the prior year. A majority of taxes in this category had small increases with the exception of hotel/motel taxes which had a significant increase of \$418 thousand. The easing in Georgia of travel restrictions due to the pandemic was a contributing factor in the increase in revenues.
- Operating grants and contributions decreased significantly due to the one time receipt of the CARES Act funding in the amount of \$724 thousand in 2020. The federal funds were used to assist local governments with COVID-19 related costs.
- One of the significant areas of decrease was in capital grants and contributions. SPLOST from the County accounted for \$647 thousand of the increase and the TSPLOST accounted for another \$620 thousand. These taxes increased much like the local option sales tax which are directly affected by local merchandise sales. \$1.95 million of infrastructure was conveyed to the City in 2020. Since there was no conveyance of infrastructure in 2021, this revenue stream had an overall decrease in 2021.
- Transfers out of \$453 thousand increased due to the transfer of capital items to the business-type activities during 2021. Since this is netted against revenues, this is the major item that caused the overall decrease in revenues for 2021.

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.

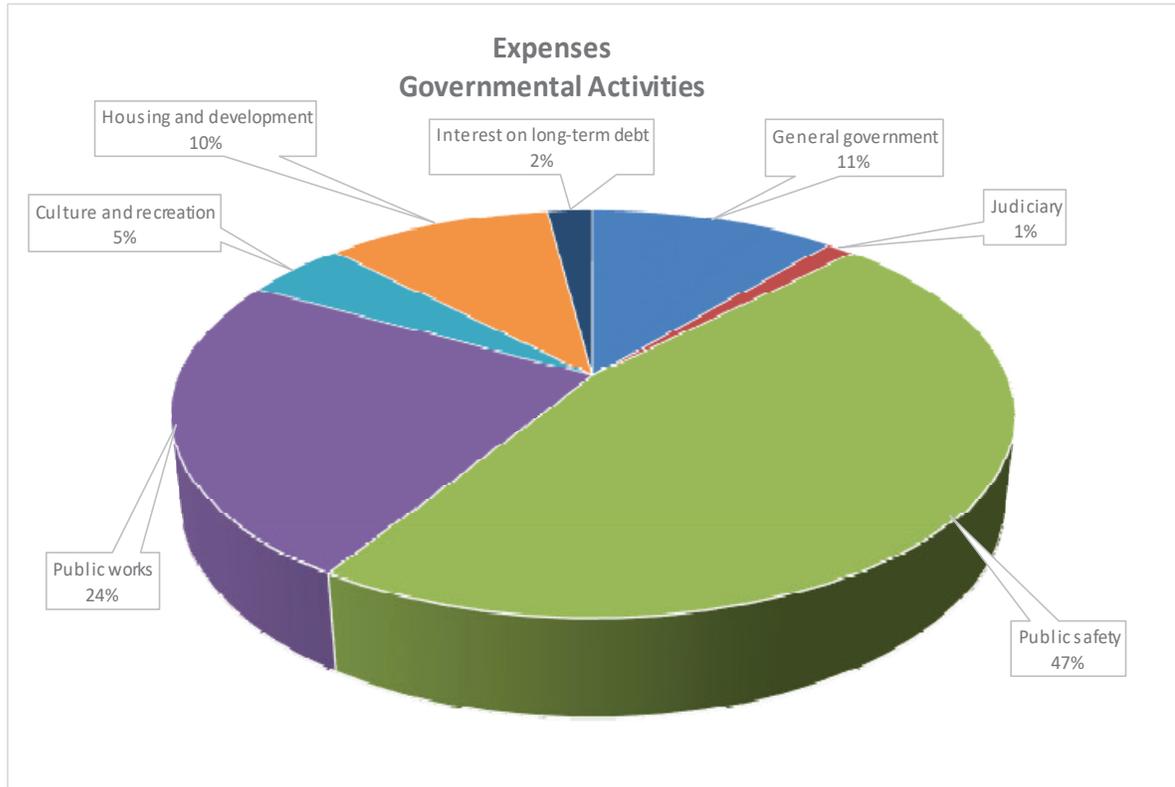


The City's expenses cover a broad range of services. The largest expenses were for public safety and public works. The overall decrease in the governmental activities expenses for the year totaled \$89 thousand, or a .63% decrease. This decrease is due to the following:

- The general government expenses declined \$201 thousand (11%) from the prior year. A majority of the decrease is related to having three (3) open positions for a majority of the year. Not only did salaries decrease but the associated benefits decreased.
- Public safety reflects an increase of \$126 thousand. The increase is primarily from additional repairs and maintenance costs. During 2021, the City began the process of allocating fleet expenses to the appropriate department in order to have a more accurate cost of each department. Also, gasoline costs had significant increases as gas prices began to increase over the past year and the area the police department is responsible for has expanded.
- The Housing and Development function registered an increase due to the unexpected increase in hotel/motel taxes during the year. The amount distributed to the contracted Authority increased significantly too.

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 decreased \$3.3 million (27%) from 2020 to 2021 and consists of:

- Charges for services had an increase of \$343 thousand (4%) from the prior year. Fluctuations in water consumption, which is dependent on rainfall, is expected. Also, as the City grows and the customer base increases, revenues from water and sewer fees will increase. During 2021, the number of customers increased by approximately 124 accounts (2%). The overall increase in water and sewer charges was \$374 thousand. Other than water and sewer fees, other revenues remained relatively stable.
- Capital grants and contributions had a significant decrease of \$4.2 million. Several subdivisions water, sewer and stormwater infrastructure were conveyed to the City during 2020 in the amount of \$6 million. In 2021, the infrastructure assets conveyed amounted to \$2.3 million resulting in the decrease in capital contributions.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The overall increase in the business-type activities expenses for the year totaled \$374 thousand or a 5.28% increase. This increase is due to the following:

- The stormwater activity expenses had an increase of \$99 thousand. The increase in this activity was from the change in the allocation of the operations contract devoted to maintenance of the City stormwater systems. The operations contract is reviewed annually to determine the appropriate allocation amounts between streets, water and sewer and stormwater.
- The water and sewer activity expenses increased \$275 thousand. Due to the aging infrastructure of the water and sewer systems and the City's change in allocation of fleet costs, repairs and maintenance costs have increased significantly. As the City implements its capital improvement program, repairs and maintenance costs are expected to decrease.

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 2021. 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 Combining Schedule of Revenue, Expenditures and Changes in Fund Balance – Budget and Actual, which can be found in the Combining Individual Fund Statements and Schedules. 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.

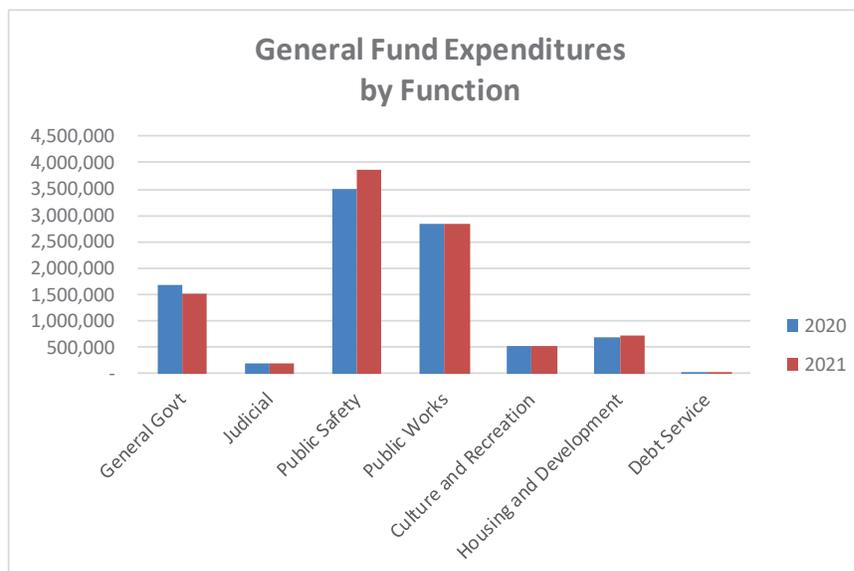
The General Fund is the chief operating fund of the City. At December 31, 2021, the unassigned fund balance in the General Fund was \$8,240,329, an increase of \$608,800 from 2020. The General Fund's total fund balance was \$9,413,335. The General Fund's fund balance is strong, with funds available to support over nine months of operating expenses. As of December 31, 2021, the City's governmental funds reported combined fund balances of \$14,299,507. The restricted fund balance totals \$5,117,094 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 2021 operations are as follows:

General Fund:

- General Fund revenues increased \$637 thousand. The overall revenue increase is attributable to increases in taxes, fines and forfeitures, and transfers-in. These three categories accounted for an increase of \$1.4 million. Taxes accounted for \$1 million of this increase. As discussed previously, real and personal property taxes increased by \$180,000 (7%) due to a 9% increase in property values. The TAVT increased \$147 thousand (26%). This tax is paid when vehicle ownership is transferred or a new resident registers the vehicle in Georgia for the first time. The tax is based on the value of the vehicle and as vehicle values have increased, especially in the used vehicle market, the TAVT increased as expected. The most significant increase occurred in the City's local option sales tax ("LOST"). There was a \$643 thousand (26%) increase from the prior year. Since the local economy remained relatively strong through the pandemic and the easing of restrictions by the State as well as relief funds flowing to individuals, sales have increased from the prior year resulting in higher LOST collections during 2021. Fines and forfeitures is another category that contributed to the increase in revenues of \$147 thousand (29%). When the pandemic first struck in 2020, fines and forfeitures decreased due to the stay-at-home order which significantly reduced the traffic flow through the City. As these orders were lifted, this revenue stream has almost returned to the pre-pandemic levels. Transfer-in from the Hotel/Motel Tax Fund increased \$180 thousand (65%). The lockdowns and other restrictions on travel devastated this revenue stream. As the restrictions were lifted, this revenue source began to quickly recover. The significant decrease in intergovernmental revenues was from the \$724 thousand CARES Relief funds received in 2020. This revenue was a one-time relief assistance from the federal government.
- General Fund expenditures increased \$570 thousand from the prior year. The current and debt service expenditures represent 45% of the overall increase above. Most of this is attributable to increases in salaries and benefits. The City provided a 2% cost of living increase and a merit increase of 1.75% available for each employee. Transfers-out to the fire fund represents the other 55% of the total increase in expenditures. See explanation for the need of additional general fund funding in the Fire Fund section. The following chart compares 2020 to 2021 expenditures by function.



MANAGEMENT'S DISCUSSION AND ANALYSIS

Fire Fund:

- Fire Fund revenues increased \$309 thousand from the prior year. The operating revenues remained relatively stable for 2021. There was only an increase of \$30 thousand (2%). The significant increase in revenues and other financing sources was from the transfers in from the general fund. This transfer covers any excess cost above the fire fee and other intergovernmental revenues.
- Fire Fund expenditures increased \$256 thousand. The increase is due to increase in salaries and benefit costs. The City had a 3% cost of living increase and 1.75% merit increase during the year for most employees that created the increase. This increase was expected for the year.

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 \$647 thousand (26%) over the prior year. See LOST explanation under the general fund revenue section.
- Expenditures in this fund are expected to fluctuate year to year based on the planned projects for the current year. Expenditures increased in 2021 by \$935 thousand. The decrease is associated with the purchase of a ladder fire truck in 2020.

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 \$620 thousand (31%) 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 decreased in 2021 by \$3.4 million. The decrease is associated with the completion of the Great Ogeechee Parkway in 2021.

Proprietary Funds

Proprietary fund statements provide the same information as the business-type 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 \$4,699,490 in 2021. The total net position was \$46,684,678. As explained previously, the majority of the increase was from capital contributions through connection fees and conveyance of systems of developers to the City.

Stormwater Fund:

- Total net position had a positive change in the amount of \$314 thousand in 2021. The total net position was \$5,015,106. The fund had a loss before contributions in the amount of \$140 thousand. These changes were explained previously in the business-type activities section of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

BUDGETARY HIGHLIGHTS

The budgetary comparison statement of the General Fund, Fire Department Fund, and ARPA Fund can be found on pages 25 – 27. Additional budgetary comparison schedules of the nonmajor special revenue funds can be found within other supplementary information found on pages 68 – 77. Budget columns are provided for both the original budget adopted for calendar year 2021 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.

General Fund:

- Taxes which include property taxes, sales tax, occupation tax, franchise fee tax, etc., exceed the budget by \$1 million. Real and personal property tax increased by \$198 thousand. As discussed previously, the City's millage rate remained the same as the previous year; however, the property values increased 9% from increase in assessments and new construction which resulted in an increase in property tax. The major increase was from collections of LOST from the State. LOST exceeded the budget by \$531 thousand which is a clear indication of a strong local economy. Since our economy is driven more from the residents of our community and not tourism, the sales tax revenues remained strong and, with the relief coming from the federal government during 2021, additional funds were made available to our residents. This, coupled with more tourists visiting our area due to the relaxing of travel restrictions in 2021, the City's LOST revenue came back stronger than ever. The remaining revenue categories were in line with budgets. The total revenues and other financing sources recorded for this calendar year were \$12,385,109 which exceeded the budget by \$908 thousand.
- Expenditures, debt service and transfers out totaled \$10,802,674, which was slightly less than the original budget by 1%, or \$122 thousand. As mentioned previously, these budgetary savings resulted from the strong efforts toward cost reductions by all departments within the City. The uncertainty of revenues due to the pandemic management made efforts to keep expenditures down for the year and remain within budget limits.
- The net effect of the budget amendments for the General Fund resulted in an increase of \$608 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. Also, higher than expected sanitation charges due to price changes in accordance with the third-party contract contributed to the necessity to increase the public works budget.

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, 2021, the City's capital assets for both governmental activities and business-type activities totaled \$88,803,851. Capital assets include assets purchased and donated, land, buildings, system improvements and machinery and equipment. Capital assets increased approximately \$958 thousand in 2021 due to the construction of water and sewer systems in the south annexed area of the City.

Additional information on the City's capital assets can be found starting on page 48.

MANAGEMENT'S DISCUSSION AND ANALYSIS

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land and rights of way	\$ 4,570,184	\$ 4,233,077	\$ 1,100,329	\$ 1,100,329	\$ 5,670,513	\$ 5,333,406
Construction in progress	3,981,732	4,296,636	5,647,774	6,891,444	9,629,506	11,188,080
Buildings and improvements	10,850,739	10,757,779	124,464	124,464	10,975,203	10,882,243
Machinery and equipment	8,073,777	7,587,210	1,154,594	993,222	9,228,371	8,580,432
Plant and systems	-	-	65,860,120	61,731,383	65,860,120	61,731,383
Infrastructure	16,757,130	16,348,036	-	-	16,757,130	16,348,036
Less accumulated depreciation	(14,271,384)	(12,763,679)	(15,045,608)	(13,453,556)	(29,316,992)	(26,217,235)
Total	\$ 29,962,178	\$ 30,459,059	\$ 58,841,673	\$ 57,387,286	\$ 88,803,851	\$ 87,846,345

DEBT ADMINISTRATION

The long-term debt at December 31, 2021 totaled \$36,672,938. Of this amount, \$28,616,664 relates to the business-type activities and \$8,056,274 relates to the governmental activities.

Long-term debt of the business-type activities increased in 2021 compared to 2020 levels due to the issuance of new Georgia Environmental Finance Authority ("GEFA") loans. Governmental activity related debt decreased due to the normal principal retirement. Additional information on the City's debt can be found starting on page 50.

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Bonds payable	\$ 3,955,487	\$ 4,510,213	\$ -	\$ -	\$ 3,955,487	\$ 4,510,213
Notes payable	421,618	475,322	-	-	421,618	475,322
Intergovernmental payable	2,402,000	3,545,000	-	-	2,402,000	3,545,000
Capital leases	1,277,169	1,567,465	122,482	152,976	1,399,651	1,720,441
Refunding bonds	-	-	1,185,775	1,394,933	1,185,775	1,394,933
GEFA loans	-	-	27,308,407	25,690,321	27,308,407	25,690,321
Total	\$ 8,056,274	\$ 10,098,000	\$ 28,616,664	\$ 27,238,230	\$ 36,672,938	\$ 37,336,230

ECONOMIC FACTORS, NEXT YEAR'S BUDGETS AND RATES

The City continues to adopt conservative budgets in 2022 to address the challenges in a changing revenue environment. A modest growth is expected in 2022 General Fund revenues with continued growth in development. The overall revenue picture is enhanced by the City's diversified revenue base as noted previously. The City continues to expand infrastructure to encourage residential and commercial economic development. In addition, a major tract (5,000 +) acres was annexed into the 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. New residential development has begun along the Great Ogeechee Parkway.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management believes the potential challenges to the fiscal health of the City 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 2022, 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.

The City 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.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview for the governmental operations of the City of Richmond Hill, Georgia. 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.

BASIC FINANCIAL STATEMENTS



CITY OF RICHMOND HILL, GEORGIA

**STATEMENT OF NET POSITION
DECEMBER 31, 2021**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Convention and Visitor's Bureau
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
ASSETS				
Cash and cash equivalents	\$ 14,089,034	\$ 12,292,897	\$ 26,381,931	\$ 96,935
Investments	1,505,979	-	1,505,979	-
Restricted cash	281,813	5,143,787	5,425,600	-
Receivables, net of allowance:				
Taxes	75,509	-	75,509	-
Accounts	1,049,755	1,218,422	2,268,177	-
Due from primary government	-	-	-	82,650
Due from other governments	2,973,463	-	2,973,463	-
Prepaid items	2,084	-	2,084	-
Notes receivable	-	3,673,841	3,673,841	-
Net pension asset	367,009	50,072	417,081	5,318
Capital assets:				
Non-depreciable	8,551,916	6,748,103	15,300,019	-
Depreciable, net of accumulated depreciation	21,410,262	52,093,570	73,503,832	-
Total assets	<u>50,306,824</u>	<u>81,220,692</u>	<u>131,527,516</u>	<u>184,903</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension	913,158	52,588	965,746	10,553
Total deferred outflows of resources	<u>913,158</u>	<u>52,588</u>	<u>965,746</u>	<u>10,553</u>
Total assets and deferred outflows of resources	<u>\$ 51,219,982</u>	<u>\$ 81,273,280</u>	<u>\$ 132,493,262</u>	<u>\$ 195,456</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION				
LIABILITIES				
Accounts payable	\$ 772,406	\$ 751,456	\$ 1,523,862	\$ 3,067
Accrued liabilities	117,418	38,346	155,764	-
Due to component unit	82,650	-	82,650	-
Customer deposits	331,965	-	331,965	-
Accrued interest payable	31,629	-	31,629	-
Unearned revenue	4,314,296	-	4,314,296	-
Non-current liabilities				
Due within one year	2,191,259	1,719,782	3,911,041	-
Due in more than one year	6,028,731	26,921,924	32,950,655	-
Total liabilities	<u>13,870,354</u>	<u>29,431,508</u>	<u>43,301,862</u>	<u>3,067</u>
DEFERRED INFLOWS OF RESOURCES				
Pension	1,735,381	141,988	1,877,369	21,578
Total deferred inflows of resources	<u>1,735,381</u>	<u>141,988</u>	<u>1,877,369</u>	<u>21,578</u>
NET POSITION				
Net investment in capital assets	21,573,113	30,027,032	51,600,145	-
Restricted for:				
Public safety	160,561	-	160,561	-
Housing and development	473,477	-	473,477	170,811
Capital projects	4,483,056	5,143,787	9,626,843	-
Unrestricted	8,924,040	16,528,965	25,453,005	-
Total net position	<u>35,614,247</u>	<u>51,699,784</u>	<u>87,314,031</u>	<u>170,811</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 51,219,982</u>	<u>\$ 81,273,280</u>	<u>\$ 132,493,262</u>	<u>\$ 195,456</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, 2021**

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	\$ 1,584,237	\$ -	\$ -	\$ -	\$ (1,584,237)	\$ -	\$ (1,584,237)	\$ -
Judicial	181,603	-	-	-	(181,603)	-	(181,603)	-
Public safety	6,511,260	1,838,583	504,326	-	(4,168,351)	-	(4,168,351)	-
Public works	3,342,281	1,021,793	-	5,712,379	3,391,891	-	3,391,891	-
Culture and recreation	654,121	22,020	-	-	(632,101)	-	(632,101)	-
Housing and development	1,451,476	446,305	-	-	(1,005,171)	-	(1,005,171)	-
Interest and fees	293,465	-	-	-	(293,465)	-	(293,465)	-
Total governmental activities	<u>\$ 14,018,443</u>	<u>\$ 3,328,701</u>	<u>\$ 504,326</u>	<u>\$ 5,712,379</u>	<u>(4,473,037)</u>	<u>-</u>	<u>(4,473,037)</u>	<u>-</u>
Business-type activities:								
Water and Sewer Utilities	\$ 6,737,488	\$ 7,535,732	\$ -	\$ 3,758,947	-	4,557,191	4,557,191	-
Stormwater Utility	707,547	567,961	-	-	-	(139,586)	(139,586)	-
Total business-type activities	<u>\$ 7,445,035</u>	<u>\$ 8,103,693</u>	<u>\$ -</u>	<u>\$ 3,758,947</u>	<u>-</u>	<u>4,417,605</u>	<u>4,417,605</u>	<u>-</u>
Component unit:								
Convention and Visitor's Bureau	<u>\$ 209,144</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(209,144)</u>
General revenue								
Taxes:								
Property taxes					3,679,513	-	3,679,513	-
Sales taxes					3,080,597	-	3,080,597	-
Other taxes					3,645,255	-	3,645,255	329,622
Unrestricted investment earnings					33,826	20,153	53,979	3
Miscellaneous revenues					225,404	122,146	347,550	1,774
Transfers					(453,203)	453,203	-	-
Total general revenues and transfers					<u>10,211,392</u>	<u>595,502</u>	<u>10,806,894</u>	<u>331,399</u>
Change in net position					<u>5,738,355</u>	<u>5,013,107</u>	<u>10,751,462</u>	<u>122,255</u>
Net position, beginning of year					<u>29,875,892</u>	<u>46,686,677</u>	<u>76,562,569</u>	<u>48,556</u>
Net position, end of year					<u>\$ 35,614,247</u>	<u>\$ 51,699,784</u>	<u>\$ 87,314,031</u>	<u>\$ 170,811</u>

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

CITY OF RICHMOND HILL, GEORGIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	General Fund	Fire Department Fund	ARPA Fund	SPLOST VII Fund	TSPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 6,890,940	\$ 120,132	\$ 2,486,575	\$ 2,890,366	\$ 1,171,356	\$ 529,665	\$ 14,089,034
Investments	1,505,979	-	-	-	-	-	1,505,979
Receivables, net of allowance:							
Taxes	75,509	-	-	-	-	-	75,509
Accounts	936,387	28,746	-	-	-	84,622	1,049,755
Due from other governments	470,940	77,040	57,472	597,762	1,770,249	-	2,973,463
Due from other funds	36,260	-	-	-	-	82,679	118,939
Prepaid items	-	2,084	-	-	-	-	2,084
Restricted cash	281,813	-	-	-	-	-	281,813
Total assets	\$ 10,197,828	\$ 228,002	\$ 2,544,047	\$ 3,488,128	\$ 2,941,605	\$ 696,966	\$ 20,096,576
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)							
LIABILITIES							
Accounts payable	\$ 327,170	\$ 66,583	\$ -	\$ 6,678	\$ 332,791	\$ 39,184	\$ 772,406
Accrued salaries and related liabilities	80,980	36,438	-	-	-	-	117,418
Unearned revenue	-	-	2,544,047	-	1,770,249	-	4,314,296
Due to component unit	-	-	-	-	-	82,650	82,650
Due to other funds	-	-	-	-	-	118,939	118,939
Deposits payable	331,965	-	-	-	-	-	331,965
Total liabilities	740,115	103,021	2,544,047	6,678	2,103,040	240,773	5,737,674
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	44,378	-	-	-	-	-	44,378
Unavailable revenue - fire fees	-	15,017	-	-	-	-	15,017
Total deferred inflows of resources	44,378	15,017	-	-	-	-	59,395
FUND BALANCES (DEFICIT)							
Non-spendable:							
Prepaid items	-	2,084	-	-	-	-	2,084
Restricted for:							
Public safety	26,915	107,880	-	-	-	25,766	160,561
Housing and development	43,050	-	-	-	-	430,427	473,477
Capital projects	163,041	-	-	3,481,450	838,565	-	4,483,056
Assigned:							
Capital projects	940,000	-	-	-	-	-	940,000
Unassigned	8,240,329	-	-	-	-	-	8,240,329
Total fund balances (deficit)	9,413,335	109,964	-	3,481,450	838,565	456,193	14,299,507
Total liabilities, deferred inflows of resources and fund balances (deficit)	\$ 10,197,828	\$ 228,002	\$ 2,544,047	\$ 3,488,128	\$ 2,941,605	\$ 696,966	\$ 20,096,576

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, 2021**

Total governmental fund balances	\$	14,299,507
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Amounts reported for governmental activities in the statement of net position are different because of the following:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the government funds:

Cost of assets	\$	44,233,562	
Accumulated depreciation		(14,271,384)	
			29,962,178

Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the funds.

Unavailable revenue - property taxes	\$	44,378	
Unavailable revenue - fire fees		15,017	
Net pension asset		367,009	
			426,404

Deferred outflows of resources related to the recording of the net pension asset are recognized as expense over time and, therefore, are not reported in the funds.	913,158
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Deferred inflows of resources related to the recording of the net pension asset do not consume current financial resources and are, therefore, not reported in the funds.	(1,735,381)
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Capital leases payable	\$	(1,277,169)	
Bonds payable		(3,955,487)	
Notes payable		(421,618)	
Intergovernmental payable		(2,402,000)	
Compensated absences payable		(163,716)	
Accrued interest payable		(31,629)	
			(8,251,619)

Net position of governmental activities	\$	<u>35,614,247</u>
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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, 2021**

	General Fund	Fire Department Fund	ARPA Fund	SPLOST VII Fund	TSPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues							
Taxes	\$ 9,285,264	\$ -	\$ -	\$ -	\$ -	\$ 1,065,528	\$ 10,350,792
Licenses and permits	528,108	-	-	-	-	-	528,108
Intergovernmental revenues	176,980	229,928	97,418	3,111,411	2,594,203	-	6,209,940
Charges for services	1,101,361	1,116,624	-	-	-	-	2,217,985
Fines and forfeitures	654,755	-	-	-	-	9,656	664,411
Interest income	33,739	-	-	6,656	109	87	40,591
Miscellaneous	148,791	1,613	-	-	-	75,000	225,404
Total revenues	<u>11,928,998</u>	<u>1,348,165</u>	<u>97,418</u>	<u>3,118,067</u>	<u>2,594,312</u>	<u>1,150,271</u>	<u>20,237,231</u>
Expenditures							
Current:							
General government	1,523,239	-	-	-	-	-	1,523,239
Judicial	188,931	-	-	-	-	-	188,931
Public safety	3,860,871	2,362,417	93,112	-	-	4,049	6,320,449
Public works	2,844,660	-	-	-	-	-	2,844,660
Culture and recreation	542,188	-	4,306	-	-	-	546,494
Housing and development	727,614	-	-	-	-	563,856	1,291,470
Capital outlay	-	-	-	1,210,197	15,323	-	1,225,520
Debt service:							
Principal retirement	34,624	-	-	864,102	1,143,000	-	2,041,726
Interest	3,457	-	-	178,579	121,109	-	303,145
Total expenditures	<u>9,725,584</u>	<u>2,362,417</u>	<u>97,418</u>	<u>2,252,878</u>	<u>1,279,432</u>	<u>567,905</u>	<u>16,285,634</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,203,414</u>	<u>(1,014,252)</u>	<u>-</u>	<u>865,189</u>	<u>1,314,880</u>	<u>582,366</u>	<u>3,951,597</u>
Other Financing Sources (Uses)							
Transfers in	456,111	1,077,090	-	-	-	304,794	1,837,995
Transfers out	(1,077,090)	-	-	-	-	(760,905)	(1,837,995)
Total other financing sources (uses)	<u>(620,979)</u>	<u>1,077,090</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(456,111)</u>	<u>-</u>
Net change in fund balances	1,582,435	62,838	-	865,189	1,314,880	126,255	3,951,597
Fund balances (deficit), beginning of year	<u>7,830,900</u>	<u>47,126</u>	<u>-</u>	<u>2,616,261</u>	<u>(476,315)</u>	<u>329,938</u>	<u>10,347,910</u>
Fund balances, end of year	<u>\$ 9,413,335</u>	<u>\$ 109,964</u>	<u>\$ -</u>	<u>\$ 3,481,450</u>	<u>\$ 838,565</u>	<u>\$ 456,193</u>	<u>\$ 14,299,507</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, 2021**

Net change in fund balances - total governmental funds	\$	3,951,597	
<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 depreciation expense exceeded capital outlay in the current period.</p>			
Capital outlay	\$	1,464,027	
Depreciation expense		<u>(1,507,705)</u>	(43,678)
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position. This is the net book value of assets transferred to business-type activities.</p>			
			(453,203)
<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, 2021	\$	15,017	
Fire fees deferred at December 31, 2020		(19,745)	
Property taxes deferred at December 31, 2021		44,378	
Property taxes deferred at December 31, 2020		<u>(66,880)</u>	(27,230)
<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>			
Principal payments - notes payable	\$	53,704	
Principal payments - bonds payable		554,726	
Principal payments - capital leases payable		290,296	
Principal payments - intergovernmental payable		<u>1,143,000</u>	2,041,726
<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	\$	15,183	
Net pension asset, net of pension related to deferred outflows and inflows of resources		244,280	
Accrued interest		<u>9,680</u>	<u>269,143</u>
Change in net position of governmental activities			<u>\$ 5,738,355</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, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 7,925,000	\$ 8,225,000	\$ 9,285,264	\$ 1,060,264
Licenses and permits	475,000	475,000	528,108	53,108
Intergovernmental revenues	150,000	172,000	176,980	4,980
Charges for services	1,105,000	1,150,000	1,101,361	(48,639)
Fines and forfeitures	815,000	815,000	654,755	(160,245)
Interest income	85,000	85,000	33,739	(51,261)
Miscellaneous	70,000	83,910	148,791	64,881
Total revenues	10,625,000	11,005,910	11,928,998	923,088
Expenditures				
Current				
General government:				
City Council	96,500	97,891	73,282	24,609
General administration	1,040,830	984,600	937,466	47,134
Finance department	341,650	346,593	312,585	34,008
General government buildings	75,000	91,110	70,492	20,618
Human resources	148,852	150,548	129,414	21,134
Judicial:				
Municipal Court	196,595	196,595	188,931	7,664
Public safety:				
Police department	3,863,525	3,945,169	3,855,554	89,615
Custody of prisoners	30,000	30,000	5,317	24,683
Public works:				
Streets	1,492,000	1,728,402	1,726,504	1,898
Sanitation	975,000	1,120,000	1,118,156	1,844
Culture and recreation:				
Park	553,700	552,945	542,188	10,757
Housing and development:				
Planning and zoning	722,024	728,960	727,614	1,346
Debt service:				
Principal retirement	33,500	34,624	34,624	-
Interest	4,500	3,457	3,457	-
Total expenditures	9,573,676	10,010,894	9,725,584	285,310
Excess of revenues over expenditures	1,051,324	995,016	2,203,414	1,208,398
Other financing sources (uses)				
Transfers in	300,000	471,429	456,111	(15,318)
Transfers out	(1,351,324)	(1,351,324)	(1,077,090)	274,234
Total other financing sources (uses)	(1,051,324)	(879,895)	(620,979)	258,916
Net change in fund balances	-	115,121	1,582,435	1,467,314
Fund balance, beginning of year	7,830,900	7,830,900	7,830,900	-
Fund balance, end of year	\$ 7,830,900	\$ 7,946,021	\$ 9,413,335	\$ 1,467,314

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, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 237,301	\$ 241,143	\$ 229,928	\$ (11,215)
Charges for services	1,074,000	1,074,000	1,116,624	42,624
Miscellaneous	-	-	1,613	1,613
Total revenues	<u>1,311,301</u>	<u>1,315,143</u>	<u>1,348,165</u>	<u>33,022</u>
Expenditures				
Current				
Public safety	<u>2,662,625</u>	<u>2,675,973</u>	<u>2,362,417</u>	<u>313,556</u>
Total expenditures	<u>2,662,625</u>	<u>2,675,973</u>	<u>2,362,417</u>	<u>313,556</u>
Deficiency of revenues under expenditures	<u>(1,351,324)</u>	<u>(1,360,830)</u>	<u>(1,014,252)</u>	<u>346,578</u>
Other financing sources				
Transfers in	<u>1,351,324</u>	<u>1,351,324</u>	<u>1,077,090</u>	<u>(274,234)</u>
Total other financing sources	<u>1,351,324</u>	<u>1,351,324</u>	<u>1,077,090</u>	<u>(274,234)</u>
Net change in fund balances	-	(9,506)	62,838	72,344
Fund balance, beginning of year	<u>47,126</u>	<u>47,126</u>	<u>47,126</u>	<u>-</u>
Fund balance, end of year	<u>\$ 47,126</u>	<u>\$ 37,620</u>	<u>\$ 109,964</u>	<u>\$ 72,344</u>

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

CITY OF RICHMOND HILL, GEORGIA

**ARPA FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GAAP BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 126,653	\$ 97,418	\$ (29,235)
Total revenues	-	126,653	97,418	(29,235)
Expenditures				
Current:				
Public safety	-	122,347	93,112	29,235
Culture and recreation	-	4,306	4,306	-
Total expenditures	-	126,653	97,418	29,235
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

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

CITY OF RICHMOND HILL, GEORGIA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2021**

	<u>Water and Sewer Fund</u>	<u>Stormwater Utility Fund</u>	<u>Total Enterprise Funds</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 12,179,168	\$ 113,729	\$ 12,292,897
Accounts receivable, net of allowance	1,174,148	44,274	1,218,422
Note receivable, current portion	222,377	-	222,377
Restricted cash	5,143,787	-	5,143,787
Total current assets	<u>18,719,480</u>	<u>158,003</u>	<u>18,877,483</u>
NON-CURRENT ASSETS			
Long-term receivable	3,451,464	-	3,451,464
Net pension asset	50,072	-	50,072
Capital assets			
Non-depreciable	6,748,103	-	6,748,103
Depreciable, net of accumulated depreciation	47,071,768	5,021,802	52,093,570
Total non-current assets	<u>57,321,407</u>	<u>5,021,802</u>	<u>62,343,209</u>
Total assets	<u>76,040,887</u>	<u>5,179,805</u>	<u>81,220,692</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension	52,588	-	52,588
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	709,239	42,217	751,456
Accrued liabilities	38,346	-	38,346
Current portion of compensated absences	13,272	-	13,272
Current portion of notes payable	1,461,104	-	1,461,104
Current portion of capital leases	-	31,086	31,086
Current portion of bonds payable	214,320	-	214,320
Total current liabilities	<u>2,436,281</u>	<u>73,303</u>	<u>2,509,584</u>
NON-CURRENT LIABILITIES			
Compensated absences	11,770	-	11,770
Notes payable	25,847,303	-	25,847,303
Capital leases	-	91,396	91,396
Bonds payable	971,455	-	971,455
Total non-current liabilities	<u>26,830,528</u>	<u>91,396</u>	<u>26,921,924</u>
Total liabilities	<u>29,266,809</u>	<u>164,699</u>	<u>29,431,508</u>
DEFERRED INFLOWS OF RESOURCES			
Pension	141,988	-	141,988
NET POSITION			
Net investment in capital assets	25,127,712	4,899,320	30,027,032
Restricted for:			
Capital projects	5,143,787	-	5,143,787
Unrestricted	16,413,179	115,786	16,528,965
Total net position	<u>\$ 46,684,678</u>	<u>\$ 5,015,106</u>	<u>\$ 51,699,784</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, 2021**

	Water and Sewer Fund	Stormwater Utility Fund	Total Enterprise Funds
OPERATING REVENUE			
Charges for services	\$ 7,535,732	\$ 567,961	\$ 8,103,693
Miscellaneous	122,146	-	122,146
Total operating revenues	<u>7,657,878</u>	<u>567,961</u>	<u>8,225,839</u>
OPERATING EXPENSES			
Cost of sales and services	4,840,031	532,646	5,372,677
Depreciation	1,419,829	172,223	1,592,052
Total operating expenses	<u>6,259,860</u>	<u>704,869</u>	<u>6,964,729</u>
Operating income (loss)	<u>1,398,018</u>	<u>(136,908)</u>	<u>1,261,110</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest income	20,153	-	20,153
Interest expense	(477,628)	(2,678)	(480,306)
Total non-operating expenses, net	<u>(457,475)</u>	<u>(2,678)</u>	<u>(460,153)</u>
Income (loss) before capital contributions	940,543	(139,586)	800,957
CAPITAL CONTRIBUTIONS	<u>3,758,947</u>	<u>453,203</u>	<u>4,212,150</u>
Net change in net position	4,699,490	313,617	5,013,107
Net position, beginning of year	<u>41,985,188</u>	<u>4,701,489</u>	<u>46,686,677</u>
Net position, end of year	<u>\$ 46,684,678</u>	<u>\$ 5,015,106</u>	<u>\$ 51,699,784</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, 2021

	Water and Sewer Fund	Stormwater Utility Fund	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 5,471,699	\$ 574,158	\$ 6,045,857
Cash paid to suppliers	(5,012,101)	(713,010)	(5,725,111)
Cash paid to employees	(515,825)	-	(515,825)
Net cash (used in) operating activities	<u>(56,227)</u>	<u>(138,852)</u>	<u>(195,079)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from the issuance of capital leases and notes	2,949,005	-	2,949,005
Acquisition and construction of capital assets	(2,593,236)	-	(2,593,236)
Capital contributions	3,758,947	-	3,758,947
Principal payments on debt	(1,540,077)	(30,494)	(1,570,571)
Interest payments on debt	(479,637)	(2,678)	(482,315)
Net cash provided by (used in) capital and related financing activities	<u>2,095,002</u>	<u>(33,172)</u>	<u>2,061,830</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest earned on investments	<u>20,153</u>	<u>-</u>	<u>20,153</u>
Net cash provided by investing activities	<u>20,153</u>	<u>-</u>	<u>20,153</u>
Net change in cash and cash equivalents	2,058,928	(172,024)	1,886,904
Cash and cash equivalents, beginning of year	<u>15,264,027</u>	<u>285,753</u>	<u>15,549,780</u>
Cash and cash equivalents, end of year	<u>\$ 17,322,955</u>	<u>\$ 113,729</u>	<u>\$ 17,436,684</u>
Cash and cash equivalents	\$ 12,179,168	\$ 113,729	\$ 12,292,897
Restricted cash	<u>5,143,787</u>	<u>-</u>	<u>5,143,787</u>
	<u>\$ 17,322,955</u>	<u>\$ 113,729</u>	<u>\$ 17,436,684</u>

(Continued)

CITY OF RICHMOND HILL, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Water and Sewer Fund</u>	<u>Stormwater Utility Fund</u>	<u>Total Enterprise Funds</u>
RECONCILIATION OF OPERATING INCOME (LOSS)			
TO NET CASH (USED IN) OPERATING ACTIVITIES			
Operating income (loss)	\$ 1,398,018	\$ (136,908)	\$ 1,261,110
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	1,419,829	172,223	1,592,052
(Increase) decrease in:			
Accounts receivable	(458,413)	6,197	(452,216)
Long term receivable	(1,727,766)	-	(1,727,766)
Net pension asset	(50,072)	-	(50,072)
Deferred outflows of resources - pension	42,688	-	42,688
Increase (decrease) in:			
Accounts payable	(670,423)	(180,364)	(850,787)
Accrued liabilities	4,136	-	4,136
Compensated absences	(1,497)	-	(1,497)
Net pension liability	(130,010)	-	(130,010)
Deferred inflows of resources - pension	117,283	-	117,283
Net cash (used in) operating activities	<u>\$ (56,227)</u>	<u>\$ (138,852)</u>	<u>\$ (195,079)</u>
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Capital assets transferred from governmental activities	\$ -	\$ 453,203	\$ 453,203
Net non-cash investing, capital and financing activities	<u>\$ -</u>	<u>\$ 453,203</u>	<u>\$ 453,203</u>

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



NOTES TO FINANCIAL STATEMENTS



CITY OF RICHMOND HILL, GEORGIA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

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 the City 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 the City 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. Any debt incurred by the DDA is expected to be repaid entirely with the resources of the City.

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 "CVB") is a discretely presented component unit of the City. The CVB is controlled and managed by a board of seven members appointed by the Mayor and Aldermen of the City. The CVB's primary function is the promotion of tourism in the City. The City also is required to approve the CVB's operating budget. A separate report has not been issued for the CVB.

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, 2021, 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 *American Rescue Plan Act ("ARPA") Fund* is used to account for activity associated established by the American Rescue Plan Act of 2021.

The *Special Purpose Local Option Sales Tax ("SPLOST") VII Fund* is used to account for the 1% 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 *Transportation Special Purpose Local Option Sales Tax ("TSPLOST") Fund* is used to account for collection of the 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, 2021.

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 two 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.

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 three 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.
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.

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 and fire fees. 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:

Non-spendable – Fund balances are reported as non-spendable 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.

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.

NOTE 3. CASH AND INVESTMENTS

Total cash and cash equivalents as of December 31, 2021 are summarized as follows:

Statement of net position:	
Cash and cash equivalents	\$ 26,381,931
Investments	1,505,979
Restricted cash	5,425,600
Component unit - cash and cash equivalents	96,935
	<u>\$ 33,410,445</u>
Cash deposited with financial institutions	\$ 23,311,781
Certificates of deposit	1,505,979
Cash deposited with Georgia Fund 1	8,592,685
	<u>\$ 33,410,445</u>

Certain cash and cash equivalents of the City are legally restricted for specified purposes. Restrictions at December 31, 2021 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, 2021, the investments of the City were:

<u>Investment and Cash Equivalent</u>	<u>Average Credit Rating</u>	<u>Fair Value</u>	<u>Maturities</u>
Georgia Fund 1	AAAf	\$ 8,592,685	46 day weighted average
Certificates of deposit	N/A	1,505,979	12 months
		<u>\$ 10,098,664</u>	

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 the Federal Deposit Insurance Corporation ("FDIC"), prime bankers' acceptances, repurchase agreements, and the Georgia Fund 1. During the year, the City invested public funds in the Georgia Fund 1 and in a certificate of deposit.

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, 2021, all of the deposits for the City were fully collateralized in accordance with the state statutes.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk – Investments. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require all 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.

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.

Fair Value Measurements. The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those investments. Investments classified as Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The Georgia Fund 1 is an investment pool, which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the City does not disclose its investment in the Georgia Fund 1 within the fair value hierarchy. In addition, certificates of deposit are not subject to level disclosure.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES

Receivables as of December 31, 2021, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Fire Department Fund	ARPA Fund	SPLOST VII Fund	TSPLOST Fund	Nonmajor Governmental Funds	Water and Sewer Fund	Stormwater Fund	Total
Receivables:									
Taxes	\$ 86,708	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 86,708
Accounts	1,025,446	28,746	-	-	-	84,622	1,725,652	82,325	2,946,791
Due from other governments	470,940	77,040	57,472	597,762	1,770,249	-	-	-	2,973,463
Gross receivables	<u>1,583,094</u>	<u>105,786</u>	<u>57,472</u>	<u>597,762</u>	<u>1,770,249</u>	<u>84,622</u>	<u>1,725,652</u>	<u>82,325</u>	<u>6,006,962</u>
Less allowance for uncollectibles	<u>(100,258)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(551,504)</u>	<u>(38,051)</u>	<u>(689,813)</u>
Net receivables	<u>\$ 1,482,836</u>	<u>\$ 105,786</u>	<u>\$ 57,472</u>	<u>\$ 597,762</u>	<u>\$ 1,770,249</u>	<u>\$ 84,622</u>	<u>\$ 1,174,148</u>	<u>\$ 44,274</u>	<u>\$ 5,317,149</u>

Property Taxes. Property taxes are assessed as of January 1 and taxes were levied on August 10, 2021. A millage rate of 4.132 mills was adopted on August 3, 2021. Tax bills were rendered on November 15, 2021 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 \$218,965 at year-end with a current portion of \$47,330.

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 \$3,232,499 at year-end. The current portion of \$175,047 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, 2021, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental	\$ 36,260
Nonmajor governmental	Nonmajor governmental	82,679
		<u>\$ 118,939</u>
Discretely presented component unit - Convention and Visitor's Bureau	Primary government - Nonmajor governmental	<u>\$ 82,650</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:

<u>Transfer in</u>	<u>Transfer out</u>	<u>Amount</u>
General	Nonmajor governmental	\$ 456,111
Nonmajor governmental	Nonmajor governmental	304,794
Fire Department	General	1,077,090
		<u>\$ 1,837,995</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, 2021, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated					
Land	\$ 3,428,077	\$ -	\$ -	\$ 337,107	\$ 3,765,184
Right of way	805,000	-	-	-	805,000
Construction in progress	4,296,636	547,286	-	(862,190)	3,981,732
Total	<u>8,529,713</u>	<u>547,286</u>	<u>-</u>	<u>(525,083)</u>	<u>8,551,916</u>
Capital assets, being depreciated:					
Buildings and improvements	10,757,779	67,932	-	25,028	10,850,739
Infrastructure and other structures	16,348,036	362,242	-	46,852	16,757,130
Machinery, equipment and vehicles	7,587,210	486,567	-	-	8,073,777
Total	<u>34,693,025</u>	<u>916,741</u>	<u>-</u>	<u>71,880</u>	<u>35,681,646</u>
Less accumulated depreciation for:					
Buildings and improvements	(4,248,521)	(352,019)	-	-	(4,600,540)
Infrastructure and other structures	(3,657,043)	(606,683)	-	-	(4,263,726)
Machinery, equipment and vehicles	(4,858,115)	(549,003)	-	-	(5,407,118)
Total	<u>(12,763,679)</u>	<u>(1,507,705)</u>	<u>-</u>	<u>-</u>	<u>(14,271,384)</u>
Total capital assets, being depreciated, net	<u>21,929,346</u>	<u>(590,964)</u>	<u>-</u>	<u>71,880</u>	<u>21,410,262</u>
Governmental activities capital assets, net	<u>\$ 30,459,059</u>	<u>\$ (43,678)</u>	<u>\$ -</u>	<u>\$ (453,203)</u>	<u>\$ 29,962,178</u>

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

General government	\$ 77,872
Public safety	504,757
Public works	608,823
Culture and recreation	132,974
Housing and development	183,279
Total depreciation expense - governmental activities	<u>\$ 1,507,705</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the business-type activities for the year ended December 31, 2021, 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	6,891,444	2,431,864	-	(3,675,534)	5,647,774
Total	<u>7,991,773</u>	<u>2,431,864</u>	<u>-</u>	<u>(3,675,534)</u>	<u>6,748,103</u>
Capital assets, being depreciated:					
Utility plant and equipment	61,731,383	-	-	4,128,737	65,860,120
Buildings	124,464	-	-	-	124,464
Machinery, equipment and vehicles	993,222	161,372	-	-	1,154,594
Total	<u>62,849,069</u>	<u>161,372</u>	<u>-</u>	<u>4,128,737</u>	<u>67,139,178</u>
Less accumulated depreciation for:					
Utility plant and equipment	(12,573,158)	(1,513,680)	-	(3)	(14,086,841)
Buildings	(124,467)	-	-	3	(124,464)
Machinery, equipment and vehicles	(755,931)	(78,372)	-	-	(834,303)
Total	<u>(13,453,556)</u>	<u>(1,592,052)</u>	<u>-</u>	<u>-</u>	<u>(15,045,608)</u>
Total capital assets, being depreciated, net	<u>49,395,513</u>	<u>(1,430,680)</u>	<u>-</u>	<u>4,128,737</u>	<u>52,093,570</u>
Business-type activities capital assets, net	<u>\$ 57,387,286</u>	<u>\$ 1,001,184</u>	<u>\$ -</u>	<u>\$ 453,203</u>	<u>\$ 58,841,673</u>

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

<u>Business-type activities</u>	
Water and Sewer Fund	\$ 1,419,829
Stormwater Utility Fund	<u>172,223</u>
Total depreciation expense business-type activities	<u>\$ 1,592,052</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 depreciation of assets recorded under capital leases is included with depreciation expense in the amount of \$114,348 for governmental activities, and \$15,758 for business-type activities.

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	(388,338)	(15,758)
Total	\$ 1,542,881	\$ 141,822

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2021, were as follows:

Year Ending December 31,	Governmental Activities	Business-Type Activities
2022	\$ 324,745	\$ 33,172
2023	321,778	33,172
2024	266,370	33,172
2025	182,111	27,644
2026	138,610	-
2027	124,899	-
Total minimum lease payments	1,358,513	127,160
Less: Amounts representing interest	(81,344)	(4,678)
Present value of future minimum lease payments	1,277,169	122,482
Less current portion	(294,771)	(31,086)
Long-term portion of leases	\$ 982,398	\$ 91,396

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:

Year	Principal	Interest	Total
2022	\$ 573,110	\$ 111,714	\$ 684,824
2023	587,821	92,747	680,568
2024	607,210	73,358	680,568
2025	394,995	54,959	449,954
2026	238,211	47,019	285,230
2027 – 2031	1,294,538	131,611	1,426,149
2032	259,602	4,229	263,831
	\$ 3,955,487	\$ 515,637	\$ 4,471,124

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:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	63,926	5,755	69,681
2027 and 2028	123,145	4,604	127,749
	<u>\$ 421,618</u>	<u>\$ 54,535</u>	<u>\$ 476,153</u>

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:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,181,000	\$ 80,828	\$ 1,261,828
2023	1,221,000	41,086	1,262,086
	<u>\$ 2,402,000</u>	<u>\$ 121,914</u>	<u>\$ 2,523,914</u>

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%	\$ 1,765,790
GEFA - Construction of new wastewater treatment facility and all necessary appurtenances – Phase I	3,500,000	3.00%	2,673,170
GEFA - Construction of new wastewater treatment facility and all necessary appurtenances – Phase II	10,000,000	1.40%	6,998,086
GEFA - Construction of new wastewater treatment facility and all necessary appurtenances – Phase III	10,500,000	1.03%	8,069,198
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%	2,900,055
GEFA - Construction of a water main, sewer force main, and reuse main infrastructure	2,900,000	1.75%	2,777,816
GEFA - Construction of a water main, sewer force main, and reuse main infrastructure	2,996,500	1.44%	<u>2,124,292</u>
Total loans			27,308,407
Less: current portion			<u>(1,461,104)</u>
Total long-term debt			<u>\$ 25,847,303</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

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

GEFA loans debt service requirements to maturity are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,461,104	\$ 372,749	\$ 1,833,853
2023	1,485,378	351,421	1,836,799
2024	1,510,087	329,661	1,839,748
2025	1,535,352	307,498	1,842,850
2026	1,566,374	284,844	1,851,218
2027 – 2031	8,217,721	1,055,598	9,273,319
2032 – 2036	7,912,628	434,858	8,347,486
2037 – 2041	1,495,471	40,552	1,536,023
	<u>\$ 25,184,115</u>	<u>\$ 3,177,181</u>	<u>\$ 28,361,296</u>

The GEFA loan on the previous page with an outstanding balance of \$2,124,292 is still in the drawdown phase and, therefore, is 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:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	236,269	4,598	240,867
2027	59,972	245	60,217
	<u>\$ 1,185,775</u>	<u>\$ 78,775</u>	<u>\$ 1,264,550</u>

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, 2021, is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
Capital leases payable	\$ 1,567,465	\$ -	\$ (290,296)	\$ 1,277,169	\$ 294,771
Bonds payable	4,510,213	-	(554,726)	3,955,487	573,110
Notes payable - direct borrowings	475,322	-	(53,704)	421,618	55,608
Intergovernmental payable	3,545,000	-	(1,143,000)	2,402,000	1,181,000
Compensated absences	178,899	179,923	(195,106)	163,716	86,770
Total long-term liabilities	<u>\$ 10,276,899</u>	<u>\$ 179,923</u>	<u>\$ (2,236,832)</u>	<u>\$ 8,219,990</u>	<u>\$ 2,191,259</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type activities					
Bonds payable - direct placement	\$ 1,394,933	\$ -	\$ (209,158)	\$ 1,185,775	\$ 214,320
GEFA loans payable - direct borrowings	25,690,321	2,949,005	(1,330,919)	27,308,407	1,461,104
Capital leases payable	152,976	-	(30,494)	122,482	31,086
Compensated absences	26,539	17,024	(18,521)	25,042	13,272
Total long-term liabilities	<u>\$ 27,264,769</u>	<u>\$ 2,966,029</u>	<u>\$ (1,589,092)</u>	<u>\$ 28,641,706</u>	<u>\$ 1,719,782</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, 2021. No provisions have been made in the financial statements for the year ended December 31, 2021, 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, 2021, the City had outstanding construction commitments totaling \$1,401,615 related to GEFA and TSPLOST projects.

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, 2021, the date of the most recent actuarial valuation, there were 180 participants consisting of the following:

Inactive plan members or beneficiaries currently receiving benefits	38
Inactive plan members entitled to but not receiving benefits	48
Active plan members	94
Total	<u>180</u>

Net Pension Asset of the City and CVB

The City and CVB's net pension asset was measured as of March 31, 2021. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2021, with updated procedures performed by the actuary to roll forward to the total pension liability measured as of March 31, 2021.

Actuarial Assumptions. The total pension liability in the July 1, 2021, 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

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Asset of the City and CVB (Continued)

Actuarial Assumptions (Continued). Mortality rates were based on the pri-2012 headcount weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.

The actuarial assumptions used in the July 1, 2021, 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, 2021, are summarized in the following table:

Asset Class	Target Allocation	Long-term expected real rate of return*
Domestic equity	45%	6.40%
International equity	20%	7.05%
Real estate	10%	4.50%
Global fixed income	5%	1.25%
Domestic fixed income	20%	1.15%
Cash	-	%
Total	100%	

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

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Changes in the Net Pension Asset of the City and CVB

The changes in the components of the net pension asset of the City for the year ended December 31, 2021, were as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Beginning Balance	\$ 10,508,212	\$ 8,557,727	\$ 1,950,485
<i>Changes for the year:</i>			
Service cost	249,193	-	249,193
Interest	775,406	-	775,406
Differences between expected and actual experience	843,536	-	843,536
Contributions - employer	-	279,517	(279,517)
Contributions - employee	-	136,029	(136,029)
Net investment income	-	3,846,876	(3,846,876)
Benefit payments, including refunds of employee contributions	(461,212)	(461,212)	-
Administrative expense	-	(26,721)	26,721
<i>Net changes</i>	<u>1,406,923</u>	<u>3,774,489</u>	<u>(2,367,566)</u>
Ending Balance	<u>\$ 11,915,135</u>	<u>\$ 12,332,216</u>	<u>\$ (417,081)</u>

The changes in the components of the net pension asset of the CVB for the year ended December 31, 2021, were as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Beginning Balance	\$ 117,678	\$ 93,561	\$ 24,117
<i>Changes for the year:</i>			
Service cost	3,098	-	3,098
Interest	9,641	-	9,641
Differences between expected and actual experience	10,487	-	10,487
Contributions - employer	-	3,475	(3,475)
Contributions - employee	-	1,691	(1,691)
Net investment income	-	47,827	(47,827)
Benefit payments, including refunds of employee contributions	(5,734)	(5,734)	-
Administrative expense	-	(332)	332
<i>Net changes</i>	<u>17,492</u>	<u>46,927</u>	<u>(29,435)</u>
Ending Balance	<u>\$ 135,170</u>	<u>\$ 140,488</u>	<u>\$ (5,318)</u>

The required schedule of changes in the City's and CVB's net pension asset 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 Asset to Changes in the Discount Rate

The following presents the net pension asset of the City and CVB, calculated using the discount rate of 7.375%, as well as what the City's net pension asset 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 (asset)	\$ 1,346,875	\$ (417,081)	\$ (1,851,058)
CVB's net pension liability (asset)	16,745	(5,318)	(23,013)

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, 2021, 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, 2021, the City recognized pension expense of \$16,823. At December 31, 2021, 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
Net difference between projected and actual investment earnings	\$ -	\$ 1,706,272
Changes in actuarial assumptions	-	20,256
Differences between expected and actual experience	770,597	150,841
Contributions subsequent to the measurement date	195,149	-
Total	\$ 965,746	\$ 1,877,369

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 \$195,149 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, 2022. 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,		
2022	\$	(173,531)
2023		(193,542)
2024		(264,233)
2025		(475,466)
Total		\$ (1,106,772)

For the year ended December 31, 2021, the CVB recognized pension expense of \$209. At December 31, 2021, the CVB 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
Net difference between projected and actual investment earnings	\$ -	\$ 21,213
Changes in actuarial assumptions	-	252
Differences between expected and actual experience	8,127	113
Contributions subsequent to the measurement date	2,426	-
Total	\$ 10,553	\$ 21,578

CVB contributions subsequent to the measurement date of \$2,426 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, 2022. 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,		
2022		(2,157)
2023	\$	(2,406)
2024		(3,285)
2025		(5,603)
Total		\$ (13,451)

NOTES TO FINANCIAL STATEMENTS

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, 2021, the cumulative property tax not collected by the City due to incentive agreements was \$111,151. Such agreements in effect for the City resulted in over \$150 million in capital investment and 190 jobs.

NOTE 12. HOTEL/MOTEL TAX

The City has levied a 7% hotel/motel tax. For the year ended December 31, 2021, \$1,065,528 of hotel/motel tax was collected. Of the total, 100% was used to promote tourism within the City (\$304,623 to the Convention and Visitor's Bureau, \$456,111 to the General Fund, and \$304,794 to the City Center Fund).

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF RICHMOND HILL, GEORGIA

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

	Fiscal Year		
	2021	2020	2019
Total pension liability			
Service cost	\$ 252,291	\$ 251,834	\$ 234,054
Interest on total pension liability	785,047	775,175	703,609
Differences between expected and actual experience	854,023	(251,589)	382,012
Benefit payments, including refunds of employee contributions	(466,946)	(398,367)	(368,107)
Assumption changes	-	-	148,123
Other	-	(34,181)	-
Net change in total pension liability	1,424,415	342,872	1,099,691
Total pension liability - beginning	10,625,890	10,283,018	9,183,327
Total pension liability - ending (a)	12,050,305	10,625,890	10,283,018
 Plan fiduciary net position			
Contributions - employer	282,992	211,882	217,360
Contributions - employee	137,720	132,611	124,125
Net investment income	3,894,703	(652,616)	323,893
Benefit payments, including refunds of employee contributions	(466,946)	(398,367)	(368,107)
Administrative expenses	(27,053)	(29,383)	(26,697)
Net change in plan fiduciary net position	3,821,416	(735,873)	270,574
Plan fiduciary net position - beginning	8,651,288	9,387,161	9,116,587
Plan fiduciary net position - ending (b)	12,472,704	8,651,288	9,387,161
 City's net pension liability (asset) (a) - (b)	\$ (422,399)	\$ 1,974,602	\$ 895,857
 Plan fiduciary net position as a percentage of the total pension liability	103.5%	81.4%	91.3%
 Covered payroll	\$ 4,694,475	\$ 4,520,012	\$ 4,042,212
 City's net pension liability (asset) as a percentage of covered payroll	-9.00%	43.69%	22.16%

Notes to the Schedule

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

Fiscal Year				
	2018	2017	2016	2015
	\$ 255,469	\$ 221,705	\$ 224,265	\$ 250,565
	684,447	607,952	563,736	562,342
	(252,797)	397,935	(56,591)	165,667
	(302,558)	(178,570)	(143,182)	(145,209)
	(184,083)	-	-	(816,396)
	-	-	-	-
	<u>200,478</u>	<u>1,049,022</u>	<u>588,228</u>	<u>16,969</u>
	8,982,849	7,933,827	7,345,599	7,328,630
	<u>9,183,327</u>	<u>8,982,849</u>	<u>7,933,827</u>	<u>7,345,599</u>
	247,318	219,119	322,297	277,878
	113,490	112,041	97,268	89,480
	1,003,747	896,892	25,554	587,119
	(302,558)	(178,570)	(143,182)	(145,209)
	(26,917)	(27,333)	(18,175)	(16,303)
	<u>1,035,080</u>	<u>1,022,149</u>	<u>283,762</u>	<u>792,965</u>
	8,081,507	7,059,358	6,775,596	5,982,631
	<u>9,116,587</u>	<u>8,081,507</u>	<u>7,059,358</u>	<u>6,775,596</u>
	<u>\$ 66,740</u>	<u>\$ 901,342</u>	<u>\$ 874,469</u>	<u>\$ 570,003</u>
	99.3%	90.0%	89.0%	92.2%
	\$ 3,970,402	\$ 3,446,777	\$ 3,345,260	\$ 3,243,743
	1.68%	26.15%	26.14%	17.57%

CITY OF RICHMOND HILL, GEORGIA

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

	Fiscal Year		
	2021	2020	2019
Actuarially determined contribution	\$ 263,434	\$ 261,144	\$ 200,623
Contributions in relation to the actuarially determined contribution	<u>263,434</u>	<u>261,144</u>	<u>200,623</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 5,029,536	\$ 4,694,475	\$ 4,520,012
Contributions as a percentage of covered payroll	5.2%	5.6%	4.4%

Notes to the Schedule

Valuation date	July 1, 2021
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 14 years.

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

Fiscal Year			
2018	2017	2016	2015
\$ 246,360	\$ 222,145	\$ 217,867	\$ 346,287
<u>246,336</u>	<u>331,160</u>	<u>189,672</u>	<u>371,519</u>
<u>\$ 24</u>	<u>\$ (109,015)</u>	<u>\$ 28,195</u>	<u>\$ (25,232)</u>
\$ 4,042,212	\$ 3,970,402	\$ 3,446,777	\$ 3,345,260
6.1%	8.3%	5.5%	11.1%



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, 2021**

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Confiscated Assets Fund	Hotel/Motel Fund	City Center Fund	Downtown Development Authority Fund	
ASSETS					
Cash and cash equivalents	\$ 64,950	\$ 116,967	\$ 219,664	\$ 128,084	\$ 529,665
Receivables, net of allowance	-	84,622	-	-	84,622
Due from other funds	-	-	82,679	-	82,679
Total assets	<u>\$ 64,950</u>	<u>\$ 201,589</u>	<u>\$ 302,343</u>	<u>\$ 128,084</u>	<u>\$ 696,966</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE					
LIABILITIES					
Accounts payable	\$ 39,184	\$ -	\$ -	\$ -	\$ 39,184
Due to component unit	-	82,650	-	-	82,650
Due to other funds	-	118,939	-	-	118,939
Total liabilities	<u>39,184</u>	<u>201,589</u>	<u>-</u>	<u>-</u>	<u>240,773</u>
FUND BALANCE					
Restricted for:					
Public safety	25,766	-	-	-	25,766
Housing and development	-	-	302,343	128,084	430,427
Total fund balance	<u>25,766</u>	<u>-</u>	<u>302,343</u>	<u>128,084</u>	<u>456,193</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 64,950</u>	<u>\$ 201,589</u>	<u>\$ 302,343</u>	<u>\$ 128,084</u>	<u>\$ 696,966</u>

CITY OF RICHMOND HILL, GEORGIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Confiscated Assets Fund	Hotel/Motel Tax Fund	City Center Fund	Downtown Development Authority Fund	
Revenues					
Taxes	\$ -	\$ 1,065,528	\$ -	\$ -	\$ 1,065,528
Fines and forfeitures	9,656	-	-	-	9,656
Interest income	-	-	87	-	87
Miscellaneous	-	-	-	75,000	75,000
Total revenues	<u>9,656</u>	<u>1,065,528</u>	<u>87</u>	<u>75,000</u>	<u>1,150,271</u>
Expenditures					
Current:					
Public safety	4,049	-	-	-	4,049
Housing and development	-	304,623	132,855	126,378	563,856
Total expenditures	<u>4,049</u>	<u>304,623</u>	<u>132,855</u>	<u>126,378</u>	<u>567,905</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,607</u>	<u>760,905</u>	<u>(132,768)</u>	<u>(51,378)</u>	<u>582,366</u>
Other Financing Sources (Uses)					
Transfers in	-	-	304,794	-	304,794
Transfers out	-	(760,905)	-	-	(760,905)
Total other financing sources (uses)	<u>-</u>	<u>(760,905)</u>	<u>304,794</u>	<u>-</u>	<u>(456,111)</u>
Net change in fund balances	5,607	-	172,026	(51,378)	126,255
Fund balances, beginning of year	<u>20,159</u>	<u>-</u>	<u>130,317</u>	<u>179,462</u>	<u>329,938</u>
Fund balance, end of year	<u>\$ 25,766</u>	<u>\$ -</u>	<u>\$ 302,343</u>	<u>\$ 128,084</u>	<u>\$ 456,193</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, 2021**

	<u>Budget</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and forfeitures	\$ 10,000	\$ 10,000	\$ 9,656	\$ (344)
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>9,656</u>	<u>(344)</u>
Expenditures				
Current:				
Public safety	10,000	10,000	4,049	5,951
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>4,049</u>	<u>5,951</u>
Net change in fund balances	-	-	5,607	5,607
Fund balance, beginning of year	<u>20,159</u>	<u>20,159</u>	<u>20,159</u>	<u>-</u>
Fund balance, end of year	<u>\$ 20,159</u>	<u>\$ 20,159</u>	<u>\$ 25,766</u>	<u>\$ 5,607</u>

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, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 700,000	\$ 1,100,000	\$ 1,065,528	\$ (34,472)
Total revenues	<u>700,000</u>	<u>1,100,000</u>	<u>1,065,528</u>	<u>(34,472)</u>
Expenditures				
Current:				
Housing and development	200,000	314,285	304,623	9,662
Total expenditures	<u>200,000</u>	<u>314,285</u>	<u>304,623</u>	<u>9,662</u>
Excess of revenues over expenditures	<u>500,000</u>	<u>785,715</u>	<u>760,905</u>	<u>(24,810)</u>
Other financing uses				
Transfers out	(500,000)	(785,715)	(760,905)	24,810
Total other financing uses	<u>(500,000)</u>	<u>(785,715)</u>	<u>(760,905)</u>	<u>24,810</u>
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Interest income	\$ -	\$ -	\$ 87	\$ 87
Total revenues	-	-	87	87
Expenditures				
Current:				
Housing and development	200,000	200,000	132,855	67,145
Total expenditures	200,000	200,000	132,855	67,145
Deficiency of revenues under expenditures	(200,000)	(200,000)	(132,768)	67,232
Other financing sources				
Transfers in	200,000	314,286	304,794	(9,492)
Total other financing sources	200,000	314,286	304,794	(9,492)
Net change in fund balances	-	114,286	172,026	57,740
Fund balance, beginning of year	130,317	130,317	130,317	-
Fund balance, end of year	\$ 130,317	\$ 244,603	\$ 302,343	\$ 57,740

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, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Miscellaneous	\$ 75,000	\$ 75,000	\$ 75,000	\$ -
Total revenues	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
Expenditures				
Current:				
Housing and development	150,000	150,000	126,378	23,622
Total expenditures	<u>150,000</u>	<u>150,000</u>	<u>126,378</u>	<u>23,622</u>
Net change in fund balances	(75,000)	(75,000)	(51,378)	23,622
Fund balance, beginning of year	<u>179,462</u>	<u>179,462</u>	<u>179,462</u>	<u>-</u>
Fund balance, end of year	<u>\$ 104,462</u>	<u>\$ 104,462</u>	<u>\$ 128,084</u>	<u>\$ 23,622</u>

CITY OF RICHMOND HILL, GEORGIA

**BALANCE SHEET
CONVENTION AND VISITOR'S BUREAU
DECEMBER 31, 2021**

ASSETS		
Cash and cash equivalents		\$ 96,935
Receivables, net of allowance		<u>82,650</u>
Total assets		<u><u>\$ 179,585</u></u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable		\$ <u>3,067</u>
Total liabilities		<u>3,067</u>
FUND BALANCE		
Restricted for:		
Culture and recreation		<u>176,518</u>
Total fund balance		<u>176,518</u>
Total liabilities and fund balance		<u><u>\$ 179,585</u></u>

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

Total fund balance		\$ 176,518
Amounts reported for the Convention and Visitor's Bureau in the Statement of Net Position are different because:		
The net pension asset and related deferred outflows and inflows of resources are applicable to future periods and, therefore, are not reported at the fund level.		
Net pension asset	\$ 5,318	
Deferred outflows related to pension	10,553	
Deferred inflows related to pension	<u>(21,578)</u>	<u>(5,707)</u>
Net position of the Convention and Visitor's Bureau in the Statement of Net Position		<u><u>\$ 170,811</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, 2021**

Revenues		
Taxes		\$ 329,622
Interest income		3
Miscellaneous		1,774
Total revenues		<u>331,399</u>
Expenditures		
Current:		
Housing and development		212,431
Total expenditures		<u>212,431</u>
Net change in fund balances		118,968
Fund balance, beginning of year		<u>57,550</u>
Fund balance, end of year		<u>\$ 176,518</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	\$ 118,968
----------------------------	------------

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>3,287</u>
Change in net position of the Convention and Visitor's Bureau to the Statement of Activities	<u>\$ 122,255</u>

CITY OF RICHMOND HILL, GEORGIA

**SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - SPLOST VII
FOR THE YEAR ENDED DECEMBER 31, 2021**

Project	Original Estimated Cost	Current Estimated Cost	Expenditures		Total
			Prior Years	Current Year	
Unassigned/assigned projects	\$ 11,000,000	\$ 1,450,171	\$ -	\$ -	\$ -
Public safety	-	1,552,904	801,916	620,102	1,422,018
Parks	-	688,667	574,637	78,852	653,489
Streets and drainage	-	2,254,715	734,957	508,093	1,243,050
Other departmental	-	68,150	35,000	3,150	38,150
Debt service	-	5,485,393	1,360,996	1,042,681	2,403,677
Totals	\$ 11,000,000	\$ 11,500,000	\$ 3,507,506	\$ 2,252,878	\$ 5,760,384

CITY OF RICHMOND HILL, GEORGIA

**SCHEDULE OF EXPENDITURES OF
TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Project	Original Estimated Cost	Current Estimated Cost	Expenditures		Total
			Prior Years	Current Year	
Unobligated	\$ 1,687,017	\$ 1,641,367	\$ -	\$ -	\$ -
Connector road	2,428,628	2,442,278	1,759,315	15,275	1,774,590
Street lighting	-	32,000	-	-	-
Interchange at Belfast Keller and I-95	5,050,105	5,050,105	1,414,783	1,264,157	2,678,940
Totals	<u>\$ 9,165,750</u>	<u>\$ 9,165,750</u>	<u>\$ 3,174,098</u>	<u>\$ 1,279,432</u>	<u>\$ 4,453,530</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.	78 – 82
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.	83 – 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.	88 – 91
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.	92 and 93
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.	94 – 97

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities										
Net investment in capital assets	\$ 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	\$ 21,573,113
Restricted	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	5,117,094
Unrestricted	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	8,924,040
Total governmental activities net position	\$ 21,359,690	\$ 21,448,239	\$ 24,202,802	\$ 24,004,053	\$ 22,554,962	\$ 23,438,002	\$ 21,543,318	\$ 23,775,148	\$ 29,875,892	\$ 35,614,247
Business-type activities										
Net investment in capital assets	\$ 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	\$ 30,027,032
Restricted	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	5,143,787
Unrestricted	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	16,528,965
Total business-type activities net position	\$ 19,180,676	\$ 20,066,707	\$ 24,279,729	\$ 26,254,012	\$ 27,776,976	\$ 32,401,966	\$ 34,214,997	\$ 37,971,569	\$ 46,686,677	\$ 51,699,784
Primary government										
Net investment in capital assets	\$ 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	\$ 51,600,145
Restricted	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	10,260,881
Unrestricted	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	25,453,005
Total primary government net position	\$ 40,540,366	\$ 41,514,946	\$ 48,482,531	\$ 50,258,065	\$ 50,331,938	\$ 55,839,968	\$ 55,758,315	\$ 61,746,717	\$ 76,562,569	\$ 87,314,031

CITY OF RICHMOND HILL, GEORGIA

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government	\$ 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	\$ 1,584,237
Judicial	37,909	35,586	37,234	36,081	37,434	41,703	40,926	165,305	186,728	181,603
Public safety	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	6,511,260
Public works	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	3,342,281
Culture and recreation	573,869	516,203	546,343	576,483	1,221,329	574,358	1,242,712	701,117	644,457	654,121
Housing and development	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	1,451,476
Interest on long-term debt	217,923	228,407	157,035	157,821	147,573	180,825	295,402	361,374	349,610	293,465
Total governmental activities expenses	9,083,506	9,411,691	9,798,462	10,012,109	11,339,475	12,277,795	14,725,198	13,481,719	14,107,660	14,018,443
Business-type activities:										
Water and sewer	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	6,737,488
Stormwater	-	-	-	-	303,599	669,914	807,704	656,029	608,798	707,547
Total business-type activities expenses	3,128,755	3,267,197	4,004,582	4,525,632	8,831,964	6,930,246	6,719,864	6,820,872	7,071,445	7,445,035
Total primary government expenses	\$ 12,212,261	\$ 12,678,888	\$ 13,803,044	\$ 14,537,741	\$ 20,171,439	\$ 19,208,041	\$ 21,445,062	\$ 20,302,591	\$ 21,179,105	\$ 21,463,478
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ -	\$ 675	\$ -	\$ 300	\$ -	\$ 525	\$ -	\$ -	\$ -	\$ -
Public safety	535,207	612,898	803,694	778,407	842,546	588,719	612,177	764,505	1,695,230	1,838,583
Public works	622,279	770,595	791,031	824,295	843,522	860,251	894,547	922,790	1,120,034	1,021,793
Culture and recreation	45,980	46,404	43,727	56,720	41,305	46,782	26,634	23,100	1,505	22,020
Housing and development	216,456	218,360	344,927	335,112	531,888	495,582	372,053	1,524,924	459,102	446,305
Operating grants and contr.	14,500	4,953	87,555	84,845	14,053	657,375	55,788	267,575	1,251,945	504,326
Capital grants and contr.	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	5,712,379
Total governmental activities program revenues	3,159,457	3,353,175	5,694,517	3,926,178	4,071,211	5,579,023	4,267,032	6,425,321	10,973,689	9,545,406

(Continued)

CITY OF RICHMOND HILL, GEORGIA

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Program Revenues (Continued)										
Business-type activities:										
Charges for services	\$ 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	\$ 8,103,693
Capital grants and contr.	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	3,758,947
Total business-type activities program revenues	4,113,597	4,103,797	8,210,780	6,469,708	9,106,852	11,477,756	9,004,864	10,274,025	15,755,542	11,862,640
Total primary government program revenues	<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>	<u>\$ 21,408,046</u>
Net (expense)/revenue governmental activities	\$ (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)	\$ (4,473,037)
Business-type activities	984,842	836,600	4,206,198	1,944,076	274,888	4,547,510	2,285,000	3,453,153	8,684,097	4,417,605
Total primary government net expense	<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>	<u>\$ (55,432)</u>
General Revenues										
Governmental activities:										
Taxes	\$ 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	\$ 10,405,365
Unrestricted grants and contri.	148,789	-	-	-	-	-	-	-	-	-
Unrestricted invest. earnings	16,703	11,881	12,487	14,832	22,557	41,761	95,544	150,039	69,064	33,826
Miscellaneous	120,996	12,052	6,872	18,596	54,124	175,793	20,717	264,647	215,887	225,404
Transfers	60,605	-	40,000	-	(1,176,986)	-	500,000	81,805	-	(453,203)
Total governmental activities	6,581,623	6,147,065	6,858,508	6,944,835	5,819,173	7,581,812	8,655,664	9,065,250	9,234,715	10,211,392
Business-type activities:										
Unrestricted investment earnings	87,125	49,428	46,824	47,938	40,652	20,745	33,693	55,321	31,011	20,153
Miscellaneous	-	3	-	28,718	30,438	56,735	-	329,903	-	122,146
Transfers	(60,605)	-	(40,000)	-	1,176,986	-	(500,000)	(81,805)	-	453,203
Total business-type activities	26,520	49,431	6,824	76,656	1,248,076	77,480	(466,307)	303,419	31,011	595,502
Total primary government	<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>	<u>\$ 10,806,894</u>
Changes in Net Position										
Governmental activities	\$ 657,574	\$ 88,549	\$ 2,754,563	\$ 858,904	\$ (1,449,091)	\$ 883,040	\$ (1,802,502)	\$ 2,008,852	\$ 6,100,744	\$ 5,738,355
Business-type activities	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	5,013,107
Total primary government	<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>	<u>\$ 10,751,462</u>

CITY OF RICHMOND HILL, GEORGIA

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400,000	\$ 60,084	\$ 60,084	\$ 199,301	\$ 233,006
Assigned	-	-	-	-	-	-	-	-	-	940,000
Unassigned	4,110,051	4,013,439	4,819,620	3,715,632	3,255,393	5,828,833	5,578,410	6,293,607	7,631,599	8,240,329
Total general fund	\$ 4,110,051	\$ 4,013,439	\$ 4,819,620	\$ 3,715,632	\$ 3,255,393	\$ 6,228,833	\$ 5,638,494	\$ 6,353,691	\$ 7,830,900	\$ 9,413,335
All Other Governmental Funds										
Non-spendable										
Special revenue funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,084
Restricted										
Special revenue funds	137,211	166,157	175,624	208,040	228,542	233,398	185,446	255,973	377,064	564,073
Capital projects funds	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	4,320,015
Unassigned, reported in:										
Capital projects funds	-	-	-	-	-	-	-	-	(476,315)	-
Total all other governmental funds	\$ 1,273,980	\$ 1,067,416	\$ 867,724	\$ 1,372,266	\$ 1,520,689	\$ 2,038,900	\$ 4,198,269	\$ 4,842,593	\$ 2,517,010	\$ 4,886,172

CITY OF RICHMOND HILL, GEORGIA

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020 ^(a)	2021
Revenues										
Taxes	\$ 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	\$ 10,350,792
Licenses and permits	216,456	218,360	344,927	335,112	531,888	495,582	372,053	529,503	538,407	528,108
Intergovernmental	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	6,209,940
Charges for services	668,259	817,674	834,758	890,219	897,856	918,770	926,761	1,950,973	2,128,308	2,217,985
Fines and fees	535,207	612,898	803,694	769,503	829,517	577,507	606,597	754,843	523,245	664,411
Interest	31,311	15,237	15,550	18,058	27,153	46,773	106,456	187,646	96,902	40,591
Other	58,861	11,016	7,572	19,518	51,431	173,568	21,017	414,647	215,887	225,404
Total revenues	9,581,687	9,726,366	10,722,492	10,809,830	10,988,117	12,118,584	12,430,523	15,510,015	18,068,516	20,237,231
Expenditures										
General government	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	1,523,239
Judicial	37,909	35,586	37,234	36,081	37,434	41,703	40,926	164,292	181,923	188,931
Public Safety	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	6,320,449
Public works	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	2,844,660
Culture and recreation	453,056	425,997	462,401	508,597	507,831	511,058	1,099,557	870,272	510,712	546,494
Housing and development	964,333	885,977	970,002	989,091	1,061,674	1,161,426	894,109	1,082,091	1,132,351	1,291,470
Capital outlay	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	1,225,520
Debt service:										
Principal	333,452	756,361	336,062	564,781	635,530	495,284	650,112	655,749	1,858,094	2,041,726
Interest	221,489	201,271	157,339	158,444	147,108	183,417	266,306	351,622	357,063	303,145
Total expenditures	10,391,673	10,853,835	10,504,158	11,797,243	13,433,214	12,126,933	15,926,411	14,930,025	19,780,890	16,285,634
Excess of revenues over (under) expenditures	(809,986)	(1,127,469)	218,334	(987,413)	(2,445,097)	(8,349)	(3,495,888)	579,990	(1,712,374)	3,951,597
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	488,744	398,139	470,011	508,613	2,025,558	520,964	1,035,417	729,766	1,259,911	1,837,995
Transfers out	(428,139)	(398,139)	(430,011)	(508,613)	(523,664)	(520,964)	(535,417)	(647,961)	(1,259,911)	(1,837,995)
Total other financing sources (uses)	60,605	824,293	388,155	387,967	2,133,281	3,500,000	5,157,100	706,553	864,000	-
Net change in fund balance	\$ (749,381)	\$ (303,176)	\$ 606,489	\$ (599,446)	\$ (311,816)	\$ 3,491,651	\$ 1,661,212	\$ 1,286,543	\$ (848,374)	\$ 3,951,597
Debt service as a percentage of non-capital expenditures	6.47%	10.39%	5.44%	7.50%	7.52%	6.06%	6.30%	7.88%	18.40%	15.82%

Notes:

Non-capital expenditures are total expenditures less capital outlay.

^(a) In calendar year 2020, management began reporting fire safety costs in the Fire 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		
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%	4.152
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
2021	510,262,474	155,224,816	227,424	3,844,490	20,971,222	7,156,256	37,121,356	46,747,860	781,555,898	1,953,889,745	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.

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>
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
2021	4.132	16.575	7.999	-	28.706

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>2021</u>			<u>2012</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
L W Richmond Hill Investco	\$ 13,388,760	1	1.96%	\$ -	-	-
Caesarstone	11,604,473	2	1.70%	-	-	-
Belfast Commerce Centre LLC	9,029,080	3	-	-	-	-
Equipmentsshare.com	8,037,226	4	-	-	-	-
Buckeye Spec LLC	7,774,960	5	1.14%	-	-	-
Ashton Apartments LLC	7,659,760	6	1.12%	3,112,820	3	0.63%
Integrity Properties LLC	6,332,120	7	0.93%	-	-	-
The Ford Plantation Club Inc	4,913,906	8	0.72%	5,063,289	1	1.02%
Georgia Power Company	4,714,382	9	0.69%	2,348,902	6	0.47%
Publix Super Markets Inc	4,138,460	10	0.61%	-	-	-
Hobart Corporation	-	-	-	4,164,779	2	0.84%
NAP Richmond Hill LLC	-	-	-	2,998,280	4	0.60%
Bryan Bank & Trust	-	-	-	2,764,165	5	0.56%
Sterling Bluff Investors, LLC	-	-	-	2,297,786	7	0.46%
Kroger The Co	-	-	-	2,212,000	8	0.44%
Love's Travel Stops & Country	-	-	-	1,909,280	9	0.38%
Sonya LLC	-	-	-	1,595,560	10	0.32%
Total	\$ 77,593,127		8.87%	\$ 28,466,861		5.72%

Source: Bryan County Tax Commissioner

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
2012	\$ 1,947,612		n/a	n/a		n/a
2013	1,965,432		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%	43,797	2,534,487	97.65%
2021	2,776,514	2,711,843	97.67%	-	2,711,843	97.67%

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 2012 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 Inside City					Monthly Sewer Rates for Residential 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)
	2012	\$ 8.50	\$ 1.50	\$ 1.70	\$ 2.10	\$ 3.00	\$ 8.50	\$ 1.50	\$ 1.70	\$ 2.10
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
2021	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
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
2021	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			
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
2021	1,277,169	6,357,487	421,618	122,482	-	27,308,407	1,185,775	-	36,672,938	7.43%	2,205

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, 2021**

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^(a)</u>	<u>Estimated Share of Overlapping Debt</u>
City of Richmond Hill			
Note payable	\$ 421,618	100.00%	\$ 421,618
Contractual obligations:			
Richmond Hill Public Facilities Authority Revenue Bond, Series 2017	2,686,305	100.00%	2,686,305
Richmond Hill CVB Authority Refunding Rvenue Bond, Series 2013	1,269,182	100.00%	1,269,182
Intergovernmental payable:			
General Obligation Transportation Sales Tax Bonds, Series 2018	2,402,000	100.00%	2,402,000
Capital Leases	1,277,169	100.00%	1,277,169
Total Direct Debt	<u>8,056,274</u>		<u>8,056,274</u>
Bryan County, Georgia			
Notes payable	653,574	37.40%	244,437
Bonds payable	2,402,000	37.40%	898,348
Capital leases	20,556,591	37.40%	7,688,165
Bryan County School Board			
General Government Series 2018	74,250,000	37.40%	27,769,500
General Government Series 2021	18,870,000	37.40%	<u>7,057,380</u>
Overlapping Debt			43,657,830
Total direct and overlapping debt			<u>\$ 51,714,104</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**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
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	\$ 734,808,038
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	51,758,383
Net assessed value for bond purposes	<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>	<u>\$ 683,049,655</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	\$ 68,304,966
Total net debt applicable to limit: General obligation bonds (net of set aside)	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<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>	<u>\$ 68,304,966</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 be 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

**PLEDGED-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	
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 ^(d)
2021	7,657,878	(4,810,031)	2,847,847	1,540,078	507,628	1.39

^(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.

^(d)The coverage for 2020 was high due to GEFA suspending payments on the City's loans for six months due to the COVID-19 pandemic.

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>
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%
2021	16,633	493,551,009	29,673	32.4	3.3%

Sources:

* U.S. Census Bureau - population based on 2020 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>2021</u>			<u>2012 *</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	854	1	13.80%	-	-	-
Caesarstone	206	2	3.33%	-	-	-
MaclJon	200	3	3.23%	-	-	-
Kroger	192	4	3.10%	-	-	-
Publix	185	5	2.99%	-	-	-
McDonalds	160	6	2.59%	-	-	-
City of Richmond Hill	105	7	1.70%	-	-	-
Sommer's Oil	87	8	1.41%	-	-	-
Richmond Hill Montessori Preschool	55	9	0.89%	-	-	-
Love's Travel Stop	54	10	0.87%	-	-	-
Total	<u>2,098</u>		<u>33.91%</u>	<u>-</u>		<u>0.00%</u>

Source: Development Authority of Bryan County

Notes:

This data includes employer and employee information for the City of Richmond Hill.

* The employment information was not readily available from 2012.

CITY OF RICHMOND HILL, GEORGIA

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

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government	14	17	16	17	17	18	15	15	13	13
Judiciary	3	2	2	2	3	2	2	4	4	4
Public safety	46	47	47	53	53	56	65	67	70	72
Public works	-	-	-	-	-	-	-	-	-	-
Culture and recreation	4	5	4	4	6	5	6	6	5	6
Housing and development	11	12	12	11	11	11	11	11	11	11
Water and sewer services	3	2	3	4	4	3	5	6	6	6
Total	81	85	84	91	94	95	104	109	110	112

Source: City Personnel Records

CITY OF RICHMOND HILL, GEORGIA

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police:										
Arrests	n/a	n/a	n/a	n/a	n/a	n/a	748	822	646	723
Accidents	n/a	n/a	n/a	n/a	n/a	n/a	822	806	696	828
Investigations	n/a	n/a	n/a	n/a	n/a	n/a	8,873	15,496	15,641	15,636
Fire:										
Number of calls	n/a	n/a	n/a	931	1,341	1,441	1,370	1,528	2,157	2,530
Fire calls	n/a	n/a	n/a	32	49	59	65	41	45	46
Non-Fire calls	n/a	n/a	n/a	899	1,292	1,382	1,305	1,487	2,112	2,484
Public works:										
Streets (miles)	51.68	51.91	53.08	54.43	55.03	56.19	56.19	58.57	61.89	82.53
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	39.47	42.28	43.18	61.49
Water:										
Average daily consumption (millions of gallons)	n/a	n/a	1.239	1.272	1.380	1.378	1.371	1.588	1.892	2.030
Sewer:										
Average daily sewage treatment (millions of gallons)	n/a	n/a	n/a	1.554	1.465	1.312	1.319	1.426	1.598	1.540
Public Development:										
Building permits for all categories - commercial and residential	n/a	831	792	897						

Sources: City records

n/a - This information is not available.

CITY OF RICHMOND HILL, GEORGIA

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Fire stations	2	2	2	2	2	2	2	2	2	3
Public works:										
Streets (miles)	51.68	51.91	53.08	54.43	55.03	56.19	56.19	58.57	61.89	82.53
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	39.47	42.28	43.18	61.49
Parks and recreation:										
Parks	4	4	4	4	4	4	4	4	4	5
Water:										
Water mains (miles)	99.25	99.54	103.50	101.06	72.76	87.82	93.43	95.82	98.74	107.83
Wells	3	3	3	4	4	4	4	4	4	4
Wastewater:										
Sanitary sewers (miles)	92.64	93.11	93.11	101.67	101.67	121.62	122.19	127.46	130.58	141.21
Maximum daily treatment capacity (millions of gallons)	-	-	1.50	1.50	3.00	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)	
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
2021	2.028	3.536	3.000	1.542	7,821

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 ("*Government Auditing Standards*"), 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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 7, 2022.

Report on 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.

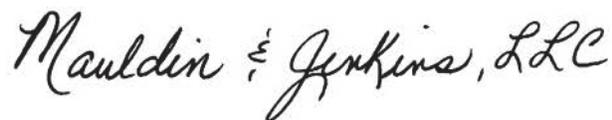
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not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

Report on 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.

The image shows a handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The signature is written in a cursive, flowing style.

Savannah, Georgia
June 7, 2022

CITY OF RICHMOND HILL, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2021

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

___ Yes X No

Significant deficiencies identified not considered
to be material weaknesses?

___ Yes X No

Noncompliance material to financial statements noted?

___ Yes X No

Federal Awards

There was not an audit of major federal award programs as of December 31, 2021 due to the total amount expended being less than \$750,000.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION III
STATUS OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Not applicable.

SECTION IV
STATUS OF PRIOR YEAR FINDINGS

None reported.