

**CITY OF RICHMOND HILL,
GEORGIA**

***Annual Comprehensive
Financial Report***

Year Ended December 31, 2023



ANNUAL COMPREHENSIVE FINANCIAL REPORT

CITY OF RICHMOND HILL, GEORGIA
FOR THE YEAR ENDED DECEMBER 31, 2023



PREPARED BY
DEPARTMENT OF FINANCE
40 RICHARD DAVIS DRIVE, RICHMOND HILL, GEORGIA 31324
JUNE 26, 2024



CITY OF RICHMOND HILL, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2023

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INTRODUCTORY SECTION





June 26, 2024

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

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, 2023. Management assumes full responsibility for the completeness and reliability of the information contained in the report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Mauldin and Jenkins LLC, has issued an unmodified (“clean”) opinion on the City’s financial statements for the year ended December 31, 2023. The Independent Auditor’s Report is located at the front of the financial section of this report. Information related to auditor’s 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 Auditor’s Report.

Profile of the Government

The history of the City 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 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 legislation duties, including approving agreements, major purchases and land use changes. Four Council members are elected by post and the Mayor is elected at-large. All serve concurrent four-year terms. The Charter recognizes the Mayor as the official head of the City and the presiding officer during Council meetings. The Charter empowers the City Manager, whom the Council appoints, to serve as the Chief Executive Officer, to manage the organization day-to-day and remain responsible to the Council for the proper and efficient administration of the City government.

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

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

Local Economy

The City's economy was impacted by inflation during 2023 and into 2024 much like the State and the Nation. The City does have a diverse revenue stream which has lessened the impact; however, there has been a significant increase in operating costs, especially in salaries and benefits.

The City of Richmond Hill is part of the Savannah Metropolitan Area ("SMA") which includes Bryan, Chatham and Effingham Counties. Richmond Hill is located 4 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. The area anticipates the opening of a major electric vehicle manufacturer to begin operations in 2024. Unemployment within the region has been relatively low when compared to the national and state levels. For December 2023, unemployment in Richmond Hill was 3.1% compared to 3.7% nationally and 3.2% for the State of Georgia as a whole.

Overall, five industry groups account for over half of the jobs in the City: educational and health care (27%), accommodation and food services (9%), manufacturing (11%) and retail trade (14%). 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.

Over the past several years, the City's tax base has been strong and increased due to growth in property values at an average of 11.9% each of the past five years. The City has historically levied a low property tax rate. For 2023, 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. However, according to Georgia Southern University's latest economic monitor, the Savannah Metro economy's path of modest regional growth is expected through mid-2024.

Long-term Financial Planning

As of December 31, 2023, unassigned fund balance in the General Fund (82.8% of total budgeted General Fund expenditures and transfers out) is prudent due to the City's location on Georgia's coast and risk of a natural disaster. Also, having approximately 10 months of expenditures in reserve will soften any economic downturn since some of the major revenue sources of the City are directly impacted by the local economy. No draw on General Fund unassigned reserves is planned in the 2024 budget and current expenditures and transfers out are balanced with current revenues and transfers in.

The adopted 2024 budget assumed a 5% growth in the total taxable value of property in the City and tentatively set a 2024 property tax of 4.132 mills; the same as the final millage rate for 2023 of 4.132 mills.

In addition to the annual operating budget, the City prepares a capital plan that is updated on an annual basis. The most recent plan identifies projects and funding that total \$57 million over the next five years and includes major categories of water and sewer, public buildings, parks, drainage, streets and traffic improvements, and major equipment purchases. For 2024, the plan funded \$16.4 million new projects. \$8.5 million from Capital Project Funds (SPLOST, SPLOST 24-30 and TSPLOST 23-28), \$7.8 million from the Water and Sewer Fund, and \$52 thousand from the City Center Fund.

There are plans for the development of residential subdivisions along Belfast Keller Road as well as new businesses in the Belfast Industrial Park in various stages of completion.

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 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 developing a plan to provide the necessary water and sewer infrastructure in the south section of the City as well as improvements and replacement to the City's aging systems. A portion of the 2024 budget plan includes the construction of an elevated water tank and replacement of an existing regional lift station.

The City is moving forward with a plan to renovate the Community House in the heart of Richmond Hill.

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, 2022. This was the third 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 the ACFR to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The preparation of this report could not have been accomplished without the professional, efficient, and dedicated services of the entire staff of the Finance Department. We express appreciation to all City departments for their assistance in providing the data necessary to prepare the statistical portion of the report and for their budgetary oversight for their 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,

A handwritten signature in blue ink, appearing to read 'CL', with a stylized flourish at the end.

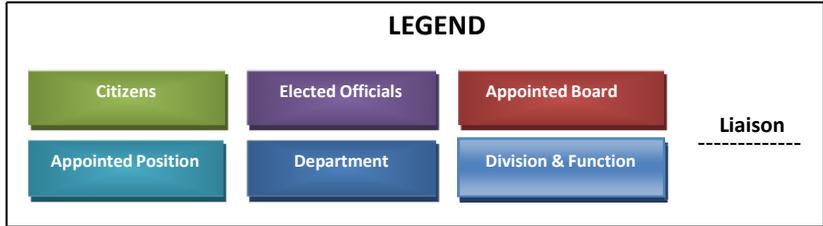
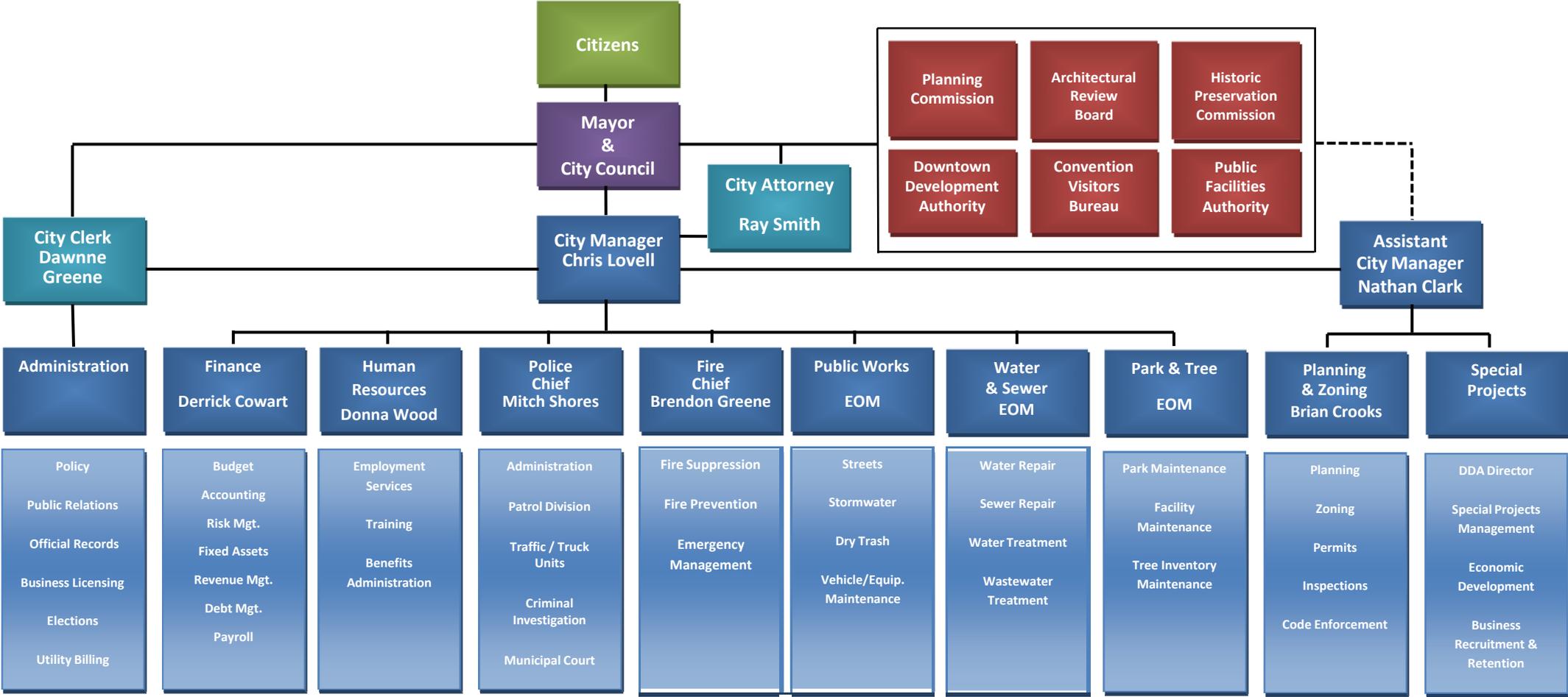
Chris Lovell, City Manager

A handwritten signature in blue ink that reads 'D Cowart' in a cursive style.

Derrick Cowart, Finance Director

CITY OF RICHMOND HILL, GEORGIA

Organizational Chart by Department/Function



CITY OF RICHMOND HILL, GEORIGIA

LIST OF PRINCIPAL OFFICIALS DECEMBER 31, 2023

Principal City Officials

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

Russ Carpenter
Kristi Cox
Robbie Ward
Les Fussell
Steve Scholar

Other City Officials

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

Chris Lovell
Nathan Clark
Dawnne Greene
Derrick Cowart
Mitch Shores
Brendon Greene
Randy Dykes



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, 2022

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, 2023, 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, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and the Fire Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 – 18), the Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios, and the Schedule of City Contributions (on pages 66 – 69) 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, the Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds and the Schedules of Transportation Special Purpose Local Option Sales Tax Proceeds, as required by the Official Code of Georgia Annotated ("O.C.G.A.") §48-8-121 and §48-8-269.5, 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. 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 Schedules 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 26, 2024, 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 26, 2024

CITY OF RICHMOND HILL, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023

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, 2023. 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, 2023 by \$129,374,421 (net position). Of this amount, \$43,387,437 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors. This is an increase of \$6,340,398 from 2022. The Convention and Visitor's Bureau ("CVB") component unit has a balance of \$372,142 in net position, which is restricted for tourism-related expenses.
- The City's total net position increased \$19,520,223 from the previous year with a \$14,152,867 increase resulting from governmental activities, and a \$5,367,356 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, Special Purpose Local Option Sales Tax, Transportation Special Purpose Local Option Sales Tax, insurance premium tax and hotel/motel tax. Also, City departments expended less than budgeted amounts, and assets were conveyed to the City including a park during 2023.
 - b) The total net position of business-type activities increased primarily due to the collection of water and sewer capital connection fees and infrastructure assets conveyed to the City from developers.
- Total long-term liabilities of the City were \$33,080,448 at year-end, a decrease of \$819,052 from the previous calendar year. The decrease was due to scheduled debt payments.

Fund Financial Statements

- At December 31, 2023, the City's governmental funds Balance Sheet reports combined ending fund balances of \$37,219,750, an increase of \$11,227,792 from the previous calendar year.
- The General Fund reported an unassigned fund balance of \$13,839,072, an increase of \$2,012,407. This amount represents approximately 10 months of expenditures in the General Fund.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- The Special Purpose Local Option Sales Tax ("SPLOST") VII Capital Projects Fund had a fund balance of \$7,418,712, an increase of \$2,737,988 from a year ago. The SPLOST fund did exceed expected revenue collections for the year by \$707,678.
- The Transportation Special Purpose Local Option Sales Tax ("TSPLOST") 2023-2028 Capital Projects Fund had a fund balance of \$3,175,637. This is the first year of collecting this tax from this referendum. No expenditures were made during the year.
- Capital improvements Capital Projects Fund reported a fund balance of \$7,392,496, an increase of \$2,410,618 from the prior year. The majority of the revenues was from transfers from the General Fund.
- The Nonmajor Governmental Funds ended the year with a fund balance of \$4,900,336. These funds include the Confiscated Assets Fund, the Hotel Motel Tax Fund, the City Center Fund, the Downtown Development Authority Fund, the American Rescue Plan Act ("ARPA") Fund and the TSPLOST 2018-2023 Fund. The special revenue fund balances are reported as restricted due to the nature of the Special Revenue Funds and the restriction on expenditure purposes. The TSPLOST fund is a Capital Projects Fund used to fund transportation projects.

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 – 26, 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 22 and 24, 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 readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's operations and the services it provides.

Proprietary funds – Enterprise funds report, in greater detail, the same information presented as business-type activities in the government-wide financial statements. The water and sewer and stormwater utility enterprise funds are the City's major proprietary funds. These enterprise funds are found on pages 27 – 30 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 31 – 65 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 budget process and pension schedules. The City adopts an annual budget for its General and Special Revenue Funds. A budgetary comparison statement has been provided for the General Fund and Fire Fund on pages 25 and 26. Individual schedules, which present a more detailed view of nonmajor funds used in governmental funds, begin on page 71. 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, 2023. The "total" approach to governmental accounting was mandated by the Government Accounting Standards Board ("GASB"). Governmental accounting falls under their auspices to ensure the uniform presentation of governmental financial statements that are accurate and complete in their presentation. Statements will continue, as has been the case, to include current and prior calendar year data and provide greater opportunities for comparative analysis.

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's combined net position (government and business-type activities) totaled \$129.4 million at December 31, 2023. The following table presents a summary of the City's net position at December 31, 2023.

MANAGEMENT'S DISCUSSION AND ANALYSIS

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current assets	\$ 40,005,700	\$ 29,306,229	\$ 26,395,255	\$ 22,267,904	\$ 66,400,955	\$ 51,574,133
Non-current assets	-	283,602	4,731,147	5,555,747	4,731,147	5,839,349
Capital assets, net	<u>32,694,134</u>	31,509,598	<u>59,239,329</u>	59,059,046	<u>91,933,463</u>	90,568,644
Total assets	<u>72,699,834</u>	61,099,429	<u>90,365,731</u>	86,882,697	<u>163,065,565</u>	147,982,126
Deferred outflows of resources - pensions	<u>2,403,730</u>	765,192	<u>167,342</u>	41,866	<u>2,571,072</u>	807,058
Current liabilities	2,367,941	2,930,359	437,209	442,238	2,805,150	3,372,597
Non-current liabilities	<u>6,982,922</u>	6,137,864	<u>26,097,526</u>	27,761,636	<u>33,080,448</u>	33,899,500
Total liabilities	<u>9,350,863</u>	9,068,223	<u>26,534,735</u>	28,203,874	<u>35,885,598</u>	37,272,097
Deferred inflows of resources:						
Pension	41,933	1,213,380	14,454	104,161	56,387	1,317,541
Leases	<u>320,231</u>	345,348	-	-	<u>320,231</u>	345,348
Total deferred inflows of resources	<u>362,164</u>	1,558,728	<u>14,454</u>	104,161	<u>376,618</u>	1,662,889
Net position:						
Net investment in capital assets	28,912,408	25,225,022	33,293,473	31,277,723	62,205,881	56,502,745
Restricted for:						
Capital projects	14,605,626	8,142,311	7,972,576	6,820,564	22,578,202	14,962,875
Other purposes	1,202,901	1,297,512	-	44,027	1,202,901	1,341,539
Unrestricted	<u>20,669,602</u>	16,572,825	<u>22,717,835</u>	20,474,214	<u>43,387,437</u>	37,047,039
Total net position	<u>\$ 65,390,537</u>	<u>\$ 51,237,670</u>	<u>\$ 63,983,884</u>	<u>\$ 58,616,528</u>	<u>\$ 129,374,421</u>	<u>\$ 109,854,198</u>

The largest portion of the City's net position (48.1%) 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 (18.4%) represents resources that are subject to external restrictions on how they may be used. The remaining 33.5% 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Changes in Net Position

The following table presents a summary of the changes in net position for the calendar year ended December 31, 2023:

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues:						
Charges for services	\$ 5,279,214	\$ 4,740,937	\$ 8,653,317	\$ 8,415,501	\$ 13,932,531	\$ 13,156,438
Operating grants and contributions	449,425	5,064,324	-	-	449,425	5,064,324
Capital grants and contributions	10,592,647	7,712,432	3,628,874	5,785,187	14,221,521	13,497,619
General revenues:						
Property taxes	4,741,079	4,189,310	-	-	4,741,079	4,189,310
Sales taxes	4,997,128	3,909,675	-	-	4,997,128	3,909,675
Other taxes	4,951,803	4,783,366	-	-	4,951,803	4,783,366
Unrestricted investment earnings	552,471	77,655	879,975	132,105	1,432,446	209,760
Miscellaneous	207,079	189,602	242,027	91,641	449,106	281,243
Transfers	(351,198)	-	351,198	-	-	-
Total revenues	31,419,648	30,667,301	13,755,391	14,424,434	45,175,039	45,091,735
Expenses						
General government	2,139,526	1,457,794	-	-	2,139,526	1,457,794
Judiciary	170,898	154,548	-	-	170,898	154,548
Public safety	8,959,134	7,451,473	-	-	8,959,134	7,451,473
Public works	3,385,468	3,475,926	-	-	3,385,468	3,475,926
Culture and recreation	847,080	740,041	-	-	847,080	740,041
Housing and development	1,610,740	1,527,778	-	-	1,610,740	1,527,778
Interest on long-term debt	153,935	236,318	-	-	153,935	236,318
Water and sewer	-	-	7,666,086	6,890,935	7,666,086	6,890,935
Stormwater	-	-	721,949	616,755	721,949	616,755
Total expenses	17,266,781	15,043,878	8,388,035	7,507,690	25,654,816	22,551,568
Change in net position	14,152,867	15,623,423	5,367,356	6,916,744	19,520,223	22,540,167
Net position - beginning	51,237,670	35,614,247	58,616,528	51,699,784	109,854,198	87,314,031
Net position - ending	\$ 65,390,537	\$ 51,237,670	\$ 63,983,884	\$ 58,616,528	\$ 129,374,421	\$ 109,854,198

Governmental activities

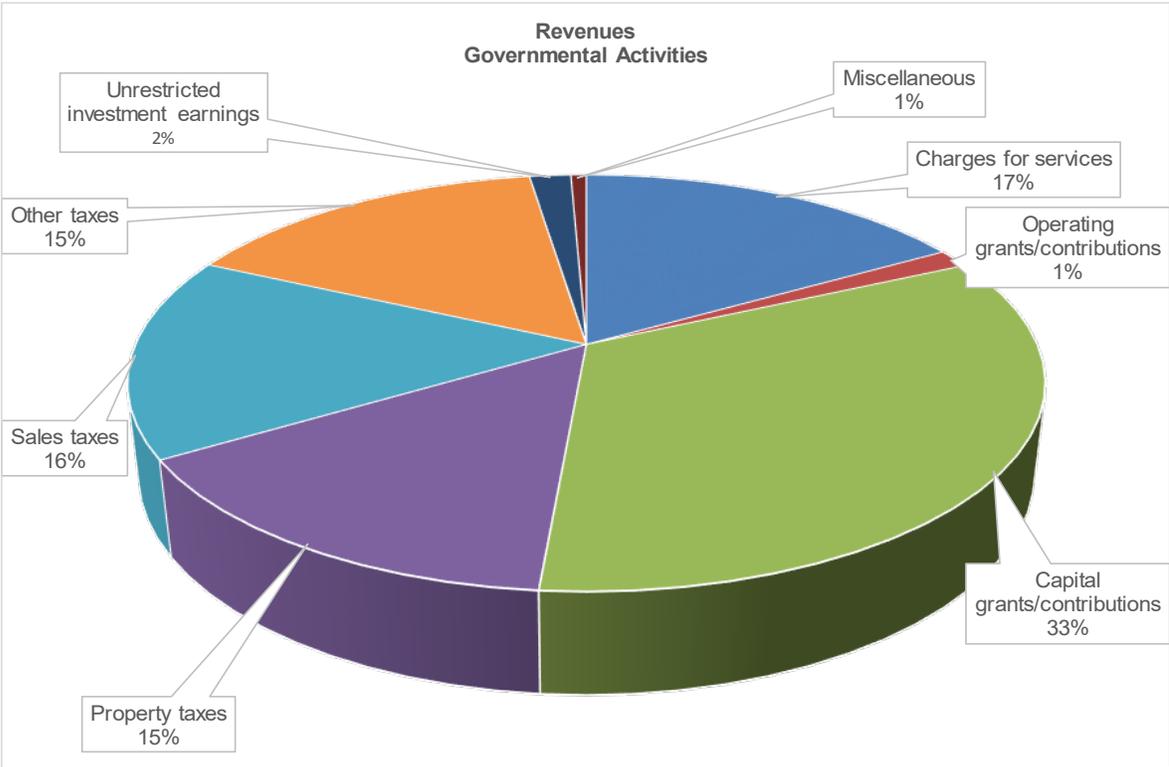
The City's governmental activities revenues increased \$0.8 million from 2022. The significant changes in revenues are as follows:

- Property taxes reflected an overall \$552 thousand increase. Real and personal property tax accounted for \$550 thousand of the increase. The City's millage rate remained the same as the previous year; however, the property values increased 21% due to an increase in assessments and new construction which resulted in an increase in property tax.
- Sales tax increased by \$1.1 million (27%) from the prior year. The increase is partially attributable to the high inflation rate during 2023 as well as strong sales in the City.

MANAGEMENT’S DISCUSSION AND ANALYSIS

- Charges for services had an increase of \$0.5 million. Licenses and permits increased \$0.3 million. The factors that contributed to this increase were from the collection of fees associated with mixed use commercial development project. Sanitation fees increased \$172 thousand. The City had to increase this fee because of increased charges from the sanitation contractor. The City charges residents only the amount needed to breakeven with the cost of sanitation collection.
- Operating grants and contributions decreased significantly due to the one-time revenue recognition of the American Rescue Plan Act (“ARPA”) funds in the amount of \$4.6 million.
- One of the significant areas of increase was in capital grants and contributions. SPLOST from the County accounted for \$648 thousand of the increase and the TSPLOST accounted for another \$1.4 million. These taxes increased much like the Local Option Sales Tax which are directly affected by local merchandise sales. The increase is also attributable to high inflation that increased sales prices.

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.

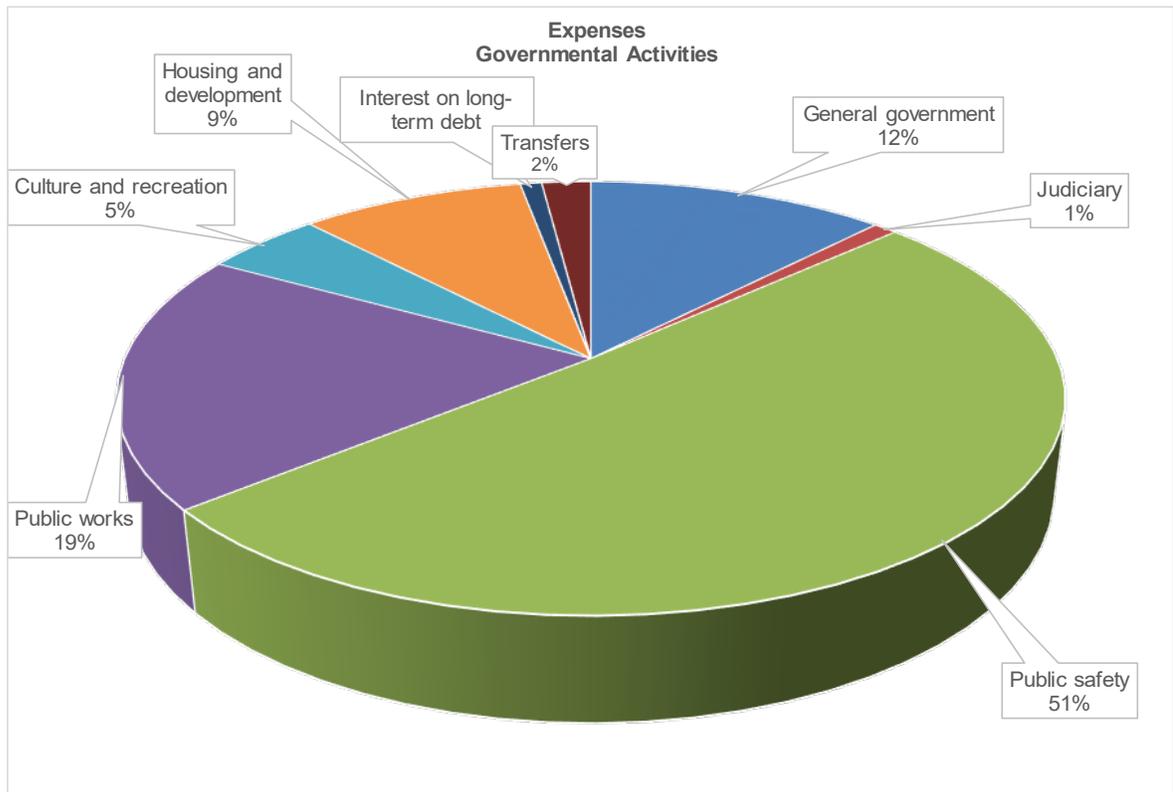


MANAGEMENT'S DISCUSSION AND ANALYSIS

The City's expenses cover a broad range of services. The largest expenses were for public safety and public works. The overall increase in the governmental activities expenses for the year totaled \$2.2 million, or a 14.7% increase. This increase can be attributed to the following:

- Public safety reflects an increase of \$1.5 million. The increase from 2022 is due to various reasons. The overall price increases due to high inflation resulted in an increase across the board for both Police and Fire Departments. More specifically, wages and benefits increased \$813 thousand. Salaries were increased during 2023 by an 8% cost of living adjustment plus implementation of a compensation study which significantly increased public safety salaries.
- General government expenses increased by \$682 thousand. The increase was due primarily to the increase in salaries and benefits of \$225 thousand and adjustment for capital assets in 2022 contributed to the increase.

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



MANAGEMENT'S DISCUSSION AND ANALYSIS

Business-type activities

The City's business-type activities revenues decreased approximately \$669 thousand from 2022 to 2023. The change is attributable to the following:

- Charges for services had an increase of \$238 thousand (1.7%) from the prior year. Fluctuations in water consumption, which is dependent on rainfall, is expected. The City's customer base did not increase significantly from the prior year.
- Capital grants and contributions had a significant decrease of approximately \$2.2 million. In 2022, Bryan County remitted to the City \$2.025 million connection fee in accordance with a sewer agreement. This would account for all of the decrease with a slight increase in other fees in 2023.

The overall increase in the business-type activities expenses for the year totaled \$880 thousand, or an 11.7% increase.

- The stormwater activity expenses had an increase of \$105 thousand (17.1%).
- The water and sewer activity expenses increased \$775 thousand (11.25%). The increases were reasonable based on the high inflation during 2023. The most significant increase occurred in the depreciation expense line item by approximately \$263 thousand, repairs and maintenance and supplies of approximately \$373 thousand. In addition to inflation, the increase is due to aging infrastructure.

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 the fiscal year 2023. The governmental fund types include the General Fund, Special Revenues, and Capital Projects. The General, Fire, Capital Improvements, SPLOST VII and TSPLOST 2023-2028 funds are the City's major funds.

All nonmajor funds of each governmental fund type with legally adopted annual budgets are included in the Supplemental Information section - Schedule of Revenue, Expenditures and Changes in Fund Balance – Budget and Actual. 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.

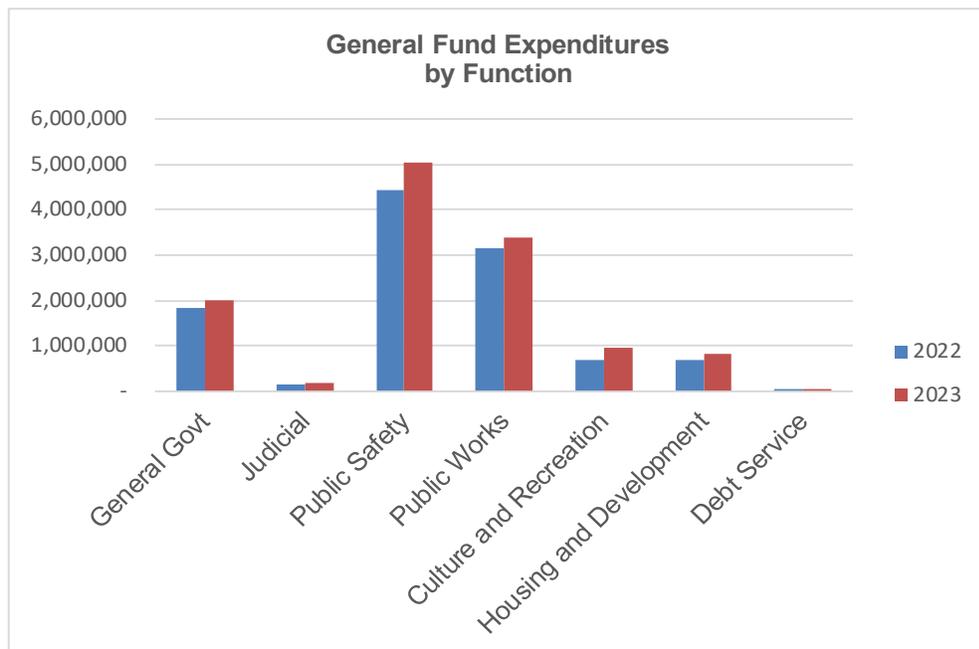
The General Fund is the chief operating fund of the City. At December 31, 2023, the unassigned fund balance in the General Fund was \$13,839,072, an increase of \$2,012,407 from 2022. The General Fund's total fund balance was \$14,236,474. The General Fund's fund balance is strong, with funds available to support approximately ten months of operating expenses. As of December 31, 2023, the City's governmental funds reported combined fund balances of \$37,219,750. The restricted fund balance totals \$15,808,527 and represents funds set aside primarily for capital projects. The assigned fund balance amount of \$7,392,496 is for capital related expenditures.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Key factors affecting changes in major funds and fund balance in fiscal year 2023 operations are as follows:

General Fund:

- General Fund revenues increased \$2.5 million. The overall revenue increase is attributable to increases in taxes and interest income. These two categories accounted for an increase of \$2.2 million. Taxes accounted for \$1.8 million of this increase. As discussed previously, real and personal property taxes increased by \$550 thousand (4%) due to a 21% increase in property values and new growth. The most significant increase occurred in the City's Local Option Sales Tax ("LOST"). There was a \$1.1 million (28%) increase from the prior year. The local economy has remained relatively strong as well as high inflation during 2023 which increased the cost of taxable goods. Interest income increased approximately \$454 thousand (589%). This was due to increasing interest rates paid on cash accounts as well as investing idle funds in higher rate accounts.
- General Fund expenditures increased \$3.2 million from the prior year. The current and debt service expenditures represent 43% of the overall increase above. Most of this is attributable to increases in salaries and benefits. The City provided an 8% cost of living increase and implementation of a compensation study performed in 2023. Cost in general increased during the fiscal year due to the high inflation. Transfers out represents the other 57% of the total increase in expenditures. The City was able to fund the Capital Improvements Fund during 2023 which represented the significant portion of the increase. Additional funding to the Fire Fund due to increased cost is noted below. The following chart compares 2022 to 2023 expenditures by function.



MANAGEMENT'S DISCUSSION AND ANALYSIS

Fire Fund:

- Fire Fund revenues decreased \$51 thousand from the prior year. The fire fee remained stable from the prior year.
- Fire Fund expenditures increased \$485 thousand. The increase in salaries and benefit costs accounted for most of this increase. As previously noted, salaries increased by an 8% cost of living increase and the implementation of a compensation study. Other significant increases include repairs and maintenance which increased due to inflation and unexpected major repairs to a fire truck. Capital outlays also increased by \$89 thousand.

Capital Improvements Fund:

- Revenues decreased in 2023. Since a majority of this fund's revenues are from transfers from the General Fund, fluctuations are expected based on the availability of funds.
- Expenditures in the Capital Improvements Fund decreased \$100 thousand due to completion of several projects at the end of 2022. Expenditures will fluctuate based on projects that are approved during the year.

SPLOST VII 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 \$648 thousand (17%) 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 decreased in 2023 by \$616 thousand. The City did have a major purchase at the end of 2022 which resulted in higher than usual expenditures in 2022.

TSPLOST 2023-2028 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. 2023 was the first year of the collection of this tax.
- The fund did not have any expenditures in 2023. The City is saving these funds for an anticipated major road project.

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 \$4.9 million in 2023. The total net position was \$58,185,656. As explained previously, the majority of the increase was from capital contributions through connection fees and conveyance of systems from developers to the City in the amount of \$3.4 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Stormwater Fund:

- Total net position had a positive change in the amount of \$514,008 in 2023. The total net position was \$5,798,228. The fund had a loss before contributions in the amount of \$101 thousand. These changes were explained previously in the business-type activities section of this report.

BUDGETARY HIGHLIGHTS

The budgetary comparison statement of the General Fund can be found on page 25. Additional budgetary comparison schedules of the Nonmajor Special Revenue Funds can be found within other supplementary information found on pages 72 – 76. Budget columns are provided for both the original budget adopted for calendar year 2023 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., exceeded the budget by \$681 thousand. Interest income exceeded the budget by \$321 thousand due to rising interest rates. The remaining revenue categories were in line with budgets. The total revenues and other financing sources recorded for this calendar year were \$18,228,090 which exceeded the budget by \$1.3 million. As previously discussed, a majority of the excess revenues over budget is from real and personal property tax which rose from a 21% increase in assessments and completion of new construction within the City. LOST was another major increase of 28% due to high inflation and continued strong sales by businesses within the City.
- Expenditures, debt service and transfers out totaled \$16,169,566, which was more than the original budget by 3%, or \$544 thousand. Most of the change was due to an amendment to transfer funds to the Capital Improvement Fund in the amount of \$1.6 million.
- The net effect of the budget amendments for the General Fund expenditures resulted in an increase of \$2.9 million. Police department, park and tree and transfers out accounted for a majority of this increase. The amendments for the police department were for increases in salaries and benefits due to the implementation of the compensation study approved in 2023. Park and tree department budget change was due to the unusually high number of tree removals caused by a hail storm during 2023. The most significant change in the budget was the increase in transfers out to the Capital Improvement Fund in the amount of \$1.6 million. This transfer will be used to fund capital needs of the City as outlined in the capital improvement plan.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2023, the City's capital assets for both governmental activities and business-type activities totaled \$91.9 million. Capital assets include assets purchased and donated, land, buildings, system improvements and machinery and equipment. Capital assets increased approximately \$1.4 million in 2023. This increase was primarily from increases in assets of the governmental activities. Significant changes came from streets and sidewalks conveyed to the City.

Additional information on the City's capital assets can be found starting on page 49.

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land and rights of way	\$ 5,023,584	\$ 4,570,184	\$ 1,100,329	\$ 1,100,329	\$ 6,123,913	\$ 5,670,513
Construction in progress	1,515,194	4,880,184	364,525	96,017	1,879,719	4,976,201
Buildings and improvements	12,183,403	11,768,078	124,464	124,464	12,307,867	11,892,542
Machinery and equipment	8,739,054	7,885,555	1,496,768	1,069,016	10,235,822	8,954,571
Plant and systems	-	-	74,808,679	73,329,257	74,808,679	73,329,257
Infrastructure	22,618,403	18,017,630	-	-	22,618,403	18,017,630
Less accumulated depreciation	(17,385,504)	(15,612,033)	(18,655,436)	(16,660,037)	(36,040,940)	(32,272,070)
Total	\$32,694,134	\$31,509,598	\$59,239,329	\$59,059,046	\$91,933,463	\$90,568,644

DEBT ADMINISTRATION

The long-term debt at December 31, 2023 totaled \$29.7 million. Of this amount, \$25.9 million relates to the business-type activities and \$3.8 million relates to the government-type activities.

Long-term debt of the business-type activities decreased in 2023 compared to 2022 levels due to the normal principal retirement exceeding draws on the one active Georgia Environmental Finance Authority "(GEFA)" loan. Governmental activity related debt decreased due to the normal principal retirement. No new debt was added in 2023. Additional information on the City's debt can be found starting on page 51.

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Bonds payable	\$2,790,264	\$ 3,382,377	\$ -	\$ -	\$ 2,790,264	\$ 3,382,377
Notes payable	308,433	366,010	-	-	308,433	366,010
Intergovernmental payable	-	1,221,000	-	-	-	1,221,000
Financed purchases	683,029	982,398	59,705	91,396	742,734	1,073,794
Refunding bonds	-	-	751,847	971,455	751,847	971,455
GEFA loans	-	-	25,059,433	26,674,965	25,059,433	26,674,965
Total	\$3,781,726	\$ 5,951,785	\$25,870,985	\$27,737,816	\$29,652,711	\$33,689,601

MANAGEMENT'S DISCUSSION AND ANALYSIS

ECONOMIC FACTORS, NEXT YEAR'S BUDGETS AND RATES

The City continues to adopt conservative budgets in 2024 to address the challenges in a changing revenue environment. A modest growth is expected in 2024 General Fund revenues with continued growth in development. The overall revenue picture is enhanced by the City's diversified revenue base as previously noted. 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 area.

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 has hired an independent contractor to review the current water and sewer rates which City Council has not increased in seven years. 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. 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 financial information may be addressed to:

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, 2023**

	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	\$ 32,303,415	\$ 17,565,633	\$ 49,869,048	\$ 329,712
Investments	1,559,856	-	1,559,856	-
Restricted cash	1,489,369	8,085,342	9,574,711	-
Receivables, net of allowance:				
Taxes	146,674	-	146,674	-
Accounts	1,186,771	690,361	1,877,132	-
Leases	320,231	-	320,231	-
Due from primary government	-	-	-	57,001
Due from other governments	2,819,729	-	2,819,729	-
Prepaid items	179,655	4,417	184,072	78
Notes receivable	-	4,780,649	4,780,649	-
Lease asset, net of accumulated amortization	-	-	-	307,988
Capital assets:				
Non-depreciable	6,538,778	1,464,854	8,003,632	-
Depreciable, net of accumulated depreciation	26,155,356	57,774,475	83,929,831	-
Total assets	<u>72,699,834</u>	<u>90,365,731</u>	<u>163,065,565</u>	<u>694,779</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension	2,403,730	167,342	2,571,072	28,553
Total deferred outflows of resources	<u>2,403,730</u>	<u>167,342</u>	<u>2,571,072</u>	<u>28,553</u>
Total assets and deferred outflows of resources	<u>\$ 75,103,564</u>	<u>\$ 90,533,073</u>	<u>\$ 165,636,637</u>	<u>\$ 723,332</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION				
LIABILITIES				
Accounts payable	\$ 580,642	\$ 401,940	\$ 982,582	\$ 7,282
Accrued liabilities	136,639	35,269	171,908	-
Due to component unit	57,001	-	57,001	-
Customer deposits	1,575,501	-	1,575,501	-
Accrued interest payable	18,158	-	18,158	-
Lease liability, due within one year	-	-	-	26,022
Lease liability, due in more than one year	-	-	-	294,209
Non-current liabilities				
Due within one year	1,047,115	1,910,961	2,958,076	-
Due in more than one year	2,969,336	23,981,707	26,951,043	-
Net pension liability - due in more than one year	2,966,471	204,858	3,171,329	35,153
Total liabilities	<u>9,350,863</u>	<u>26,534,735</u>	<u>35,885,598</u>	<u>362,666</u>
DEFERRED INFLOWS OF RESOURCES				
Pension	41,933	14,454	56,387	767
Leases	320,231	-	320,231	-
Total deferred inflows of resources	<u>362,164</u>	<u>14,454</u>	<u>376,618</u>	<u>767</u>
NET POSITION				
Net investment in capital assets	28,912,408	33,293,473	62,205,881	(12,243)
Restricted for:				
Public safety	235,921	-	235,921	-
Housing and development	966,980	-	966,980	372,142
Capital projects	14,605,626	7,972,576	22,578,202	-
Unrestricted	20,669,602	22,717,835	43,387,437	-
Total net position	<u>65,390,537</u>	<u>63,983,884</u>	<u>129,374,421</u>	<u>359,899</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 75,103,564</u>	<u>\$ 90,533,073</u>	<u>\$ 165,636,637</u>	<u>\$ 723,332</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, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position			Convention and Visitor's Bureau
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Governmental activities:								
General government	\$ 2,139,526	\$ -	\$ -	\$ -	\$ (2,139,526)	\$ -	\$ (2,139,526)	\$ -
Judicial	170,898	-	-	-	(170,898)	-	(170,898)	-
Public safety	8,959,134	2,820,093	449,425	-	(5,689,616)	-	(5,689,616)	-
Public works	3,385,468	1,406,785	-	10,592,647	8,613,964	-	8,613,964	-
Culture and recreation	847,080	27,954	-	-	(819,126)	-	(819,126)	-
Housing and development	1,610,740	1,024,382	-	-	(586,358)	-	(586,358)	-
Interest and fees	153,935	-	-	-	(153,935)	-	(153,935)	-
Total governmental activities	<u>\$ 17,266,781</u>	<u>\$ 5,279,214</u>	<u>\$ 449,425</u>	<u>\$ 10,592,647</u>	<u> (945,495)</u>	<u>-</u>	<u> (945,495)</u>	<u>-</u>
Business-type activities:								
Water and sewer utilities	\$ 7,666,086	\$ 8,042,885	\$ -	\$ 3,119,559	-	3,496,358	3,496,358	-
Stormwater utility	721,949	610,432	-	509,315	-	397,798	397,798	-
Total business-type activities	<u>\$ 8,388,035</u>	<u>\$ 8,653,317</u>	<u>\$ -</u>	<u>\$ 3,628,874</u>	<u>-</u>	<u>3,894,156</u>	<u>3,894,156</u>	<u>-</u>
Component unit:								
Convention and Visitor's Bureau	<u>\$ 363,133</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(363,133)</u>
General revenue								
Taxes:								
Property taxes					4,741,079	-	4,741,079	-
Sales taxes					4,997,128	-	4,997,128	-
Other taxes					4,951,803	-	4,951,803	406,968
Unrestricted investment earnings					552,471	879,975	1,432,446	-
Miscellaneous revenues					207,079	90,877	297,956	18,942
Insurance reimbursement					-	151,150	151,150	-
Transfers					(351,198)	351,198	-	-
Total general revenues					<u>15,098,362</u>	<u>1,473,200</u>	<u>16,571,562</u>	<u>425,910</u>
Change in net position					<u>14,152,867</u>	<u>5,367,356</u>	<u>19,520,223</u>	<u>62,777</u>
Net position, beginning of year					<u>51,237,670</u>	<u>58,616,528</u>	<u>109,854,198</u>	<u>297,122</u>
Net position, end of year					<u>\$ 65,390,537</u>	<u>\$ 63,983,884</u>	<u>\$ 129,374,421</u>	<u>\$ 359,899</u>

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

CITY OF RICHMOND HILL, GEORGIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	<u>General Fund</u>	<u>Fire Department Fund</u>	<u>Capital Improvements Fund</u>	<u>SPLOST VII Fund</u>	<u>TSPLOST 2023-2028</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS							
Cash and cash equivalents	\$ 10,781,298	\$ 59,543	\$ 7,464,007	\$ 6,593,288	\$ 2,436,636	\$ 4,968,643	\$ 32,303,415
Investments	1,559,856	-	-	-	-	-	1,559,856
Receivables, net of allowance:							
Taxes	146,674	-	-	-	-	-	146,674
Accounts	1,033,550	69,519	-	-	-	83,702	1,186,771
Leases	320,231	-	-	-	-	-	320,231
Due from other governments	1,043,672	183,974	-	853,082	739,001	-	2,819,729
Due from other funds	118,867	-	-	-	-	57,021	175,888
Prepaid items	175,957	3,698	-	-	-	-	179,655
Restricted cash	1,489,369	-	-	-	-	-	1,489,369
Total assets	<u>\$ 16,669,474</u>	<u>\$ 316,734</u>	<u>\$ 7,464,007</u>	<u>\$ 7,446,370</u>	<u>\$ 3,175,637</u>	<u>\$ 5,109,366</u>	<u>\$ 40,181,588</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ 368,213	\$ 54,119	\$ 71,511	\$ 27,658	\$ -	\$ 59,141	\$ 580,642
Accrued salaries and related liabilities	84,706	51,933	-	-	-	-	136,639
Due to component unit	-	-	-	-	-	57,001	57,001
Due to other funds	-	83,000	-	-	-	92,888	175,888
Deposits payable from restricted assets	1,575,501	-	-	-	-	-	1,575,501
Total liabilities	<u>2,028,420</u>	<u>189,052</u>	<u>71,511</u>	<u>27,658</u>	<u>-</u>	<u>209,030</u>	<u>2,525,671</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	84,349	-	-	-	-	-	84,349
Leases	320,231	-	-	-	-	-	320,231
Unavailable revenue - fire fees	-	31,587	-	-	-	-	31,587
Total deferred inflows of resources	<u>404,580</u>	<u>31,587</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>436,167</u>
FUND BALANCES							
Nonspendable:							
Prepaid items	175,957	3,698	-	-	-	-	179,655
Restricted for:							
Public safety	92,490	92,397	-	-	-	51,034	235,921
Housing and development	-	-	-	-	-	966,980	966,980
Capital projects	128,955	-	-	7,418,712	3,175,637	3,882,322	14,605,626
Assigned:							
Capital projects	-	-	7,392,496	-	-	-	7,392,496
Unassigned	13,839,072	-	-	-	-	-	13,839,072
Total fund balances	<u>14,236,474</u>	<u>96,095</u>	<u>7,392,496</u>	<u>7,418,712</u>	<u>3,175,637</u>	<u>4,900,336</u>	<u>37,219,750</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 16,669,474</u>	<u>\$ 316,734</u>	<u>\$ 7,464,007</u>	<u>\$ 7,446,370</u>	<u>\$ 3,175,637</u>	<u>\$ 5,109,366</u>	<u>\$ 40,181,588</u>

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, 2023**

Total governmental fund balances	\$	37,219,750
<p>Amounts reported for governmental activities in the Statement of Net Position are different because of the following:</p> <p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the government funds:</p>		
Cost of assets	\$	50,079,638
Accumulated depreciation		<u>(17,385,504)</u>
		32,694,134
<p>Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the funds.</p>		
Unavailable revenue - property taxes	\$	84,349
Unavailable revenue - fire fees		<u>31,587</u>
		115,936
<p>Deferred outflows of resources related to the recording of the net pension liability are recognized as expense over time and, therefore, are not reported in the funds.</p>		
		2,403,730
<p>Deferred inflows of resources related to the recording of the net pension liability do not consume current financial resources and are, therefore, not reported in the funds.</p>		
		(41,933)
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.</p>		
Financed purchases	\$	(683,029)
Bonds payable		(2,790,264)
Notes payable		(308,433)
Net pension liability		(2,966,471)
Compensated absences payable		(234,725)
Accrued interest payable		<u>(18,158)</u>
		<u>(7,001,080)</u>
Net position of governmental activities	\$	<u><u>65,390,537</u></u>

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

CITY OF RICHMOND HILL, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	General Fund	Fire Department Fund	Capital Improvements Fund	SPLOST VII Fund	TSPLOST 2023-2028	Nonmajor Governmental Funds	Total Governmental Funds
Revenues							
Taxes	\$ 13,139,257	\$ -	\$ -	\$ -	\$ -	\$ 1,424,460	\$ 14,563,717
Licenses and permits	1,104,932	-	-	-	-	-	1,104,932
Intergovernmental revenues	44,581	25,700	194,683	4,557,678	3,140,795	2,496,772	10,460,209
Charges for services	1,503,942	1,492,311	-	-	-	-	2,996,253
Fines and forfeitures	1,213,326	-	-	-	-	45,253	1,258,579
Interest income	530,480	214	205,642	181,832	34,842	181,324	1,134,334
Miscellaneous	81,191	64,312	21,709	39,867	-	-	207,079
Total revenues	<u>17,617,709</u>	<u>1,582,537</u>	<u>422,034</u>	<u>4,779,377</u>	<u>3,175,637</u>	<u>4,147,809</u>	<u>31,725,103</u>
Expenditures							
Current:							
General government	2,011,898	-	-	-	-	-	2,011,898
Judicial	163,158	-	-	-	-	-	163,158
Public safety	5,039,027	3,224,390	-	-	-	20,400	8,283,817
Public works	3,369,627	-	-	-	-	-	3,369,627
Culture and recreation	944,387	-	-	-	-	-	944,387
Housing and development	808,673	-	-	-	-	656,265	1,464,938
Capital outlay	-	-	393,324	1,093,833	-	434,864	1,922,021
Debt service:							
Principal retirement	36,995	-	-	912,064	-	1,221,000	2,170,059
Interest	1,086	-	-	124,653	-	41,667	167,406
Total expenditures	<u>12,374,851</u>	<u>3,224,390</u>	<u>393,324</u>	<u>2,130,550</u>	<u>-</u>	<u>2,374,196</u>	<u>20,497,311</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,242,858</u>	<u>(1,641,853)</u>	<u>28,710</u>	<u>2,648,827</u>	<u>3,175,637</u>	<u>1,773,613</u>	<u>11,227,792</u>
Other Financing Sources (Uses)							
Transfers in	610,381	1,552,790	2,381,908	89,161	-	557,111	5,191,351
Transfers out	(3,794,715)	-	-	-	-	(1,396,636)	(5,191,351)
Total other financing sources (uses)	<u>(3,184,334)</u>	<u>1,552,790</u>	<u>2,381,908</u>	<u>89,161</u>	<u>-</u>	<u>(839,525)</u>	<u>-</u>
Net change in fund balances	2,058,524	(89,063)	2,410,618	2,737,988	3,175,637	934,088	11,227,792
Fund balances, beginning of year	<u>12,177,950</u>	<u>185,158</u>	<u>4,981,878</u>	<u>4,680,724</u>	<u>-</u>	<u>3,966,248</u>	<u>25,991,958</u>
Fund balances, end of year	<u>\$ 14,236,474</u>	<u>\$ 96,095</u>	<u>\$ 7,392,496</u>	<u>\$ 7,418,712</u>	<u>\$ 3,175,637</u>	<u>\$ 4,900,336</u>	<u>\$ 37,219,750</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, 2023

Net change in fund balances - total governmental funds		\$ 11,227,792
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.

Capital outlay	\$ 3,524,039	
Depreciation expense	<u>(1,844,988)</u>	1,679,051

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.

Net book value of disposals	\$ (143,317)	
Capital assets transferred to business-type activities	<u>(351,198)</u>	(494,515)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Fire fees deferred at December 31, 2023	\$ 31,587	
Fire fees deferred at December 31, 2022	(23,333)	
Property taxes deferred at December 31, 2023	84,349	
Property taxes deferred at December 31, 2022	<u>(46,860)</u>	45,743

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

Principal payments - notes payable	\$ 57,577	
Principal payments - bonds payable	592,113	
Principal payments - financed purchases	299,369	
Principal payments - intergovernmental payable	<u>1,221,000</u>	2,170,059

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.

Compensated absences	\$ (48,646)	
Net pension liability, net of pension related to deferred outflows and inflows of resources	(440,088)	
Accrued interest	<u>13,471</u>	<u>(475,263)</u>

Change in net position of governmental activities		<u>\$ 14,152,867</u>
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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, 2023

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 10,527,833	\$ 12,458,004	\$ 13,139,257	\$ 681,253
Licenses and permits	593,000	948,000	1,104,932	156,932
Intergovernmental revenues	160,000	160,000	44,581	(115,419)
Charges for services	1,445,000	1,445,000	1,503,942	58,942
Fines and forfeitures	983,000	983,000	1,213,326	230,326
Interest income	37,000	209,862	530,480	320,618
Miscellaneous	55,000	79,566	81,191	1,625
Total revenues	13,800,833	16,283,432	17,617,709	1,334,277
Expenditures				
Current				
General government:				
City Council	111,690	112,101	86,016	26,085
General administration	1,145,602	1,209,388	1,193,743	15,645
Finance department	376,505	401,656	384,431	17,225
General government buildings	118,815	181,815	181,489	326
Human resources	187,794	187,794	166,219	21,575
Judicial:				
Municipal Court	213,985	215,199	163,158	52,041
Public safety:				
Police department	4,914,337	5,181,737	5,039,027	142,710
Public works:				
Streets	2,092,538	2,157,118	1,867,160	289,958
Sanitation	1,550,323	1,552,627	1,502,467	50,160
Culture and recreation:				
Park	850,000	1,023,746	944,387	79,359
Housing and development:				
Planning and zoning	848,153	926,219	808,673	117,546
Debt service:				
Principal retirement	36,995	36,995	36,995	-
Interest	1,086	1,086	1,086	-
Total expenditures	12,447,823	13,187,481	12,374,851	812,630
Excess of revenues over expenditures	1,353,010	3,095,951	5,242,858	2,146,907
Other financing sources (uses)				
Transfers in	471,460	622,500	610,381	(12,119)
Transfers out	(1,824,470)	(3,994,715)	(3,794,715)	200,000
Total other financing uses, net	(1,353,010)	(3,372,215)	(3,184,334)	187,881
Net change in fund balances	-	(276,264)	2,058,524	2,334,788
Fund balance, beginning of year	12,177,950	12,177,950	12,177,950	-
Fund balance, end of year	\$ 12,177,950	\$ 11,901,686	\$ 14,236,474	\$ 2,334,788

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, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 13,000	\$ 25,700	\$ 12,700
Charges for services	1,528,651	1,528,651	1,492,311	(36,340)
Interest income	-	-	214	214
Miscellaneous	-	63,368	64,312	944
Total revenues	<u>1,528,651</u>	<u>1,605,019</u>	<u>1,582,537</u>	<u>(22,482)</u>
Expenditures				
Current				
Public safety	3,203,121	3,498,057	3,224,390	273,667
Total expenditures	<u>3,203,121</u>	<u>3,498,057</u>	<u>3,224,390</u>	<u>273,667</u>
Deficiency of revenues under expenditures	<u>(1,674,470)</u>	<u>(1,893,038)</u>	<u>(1,641,853)</u>	<u>251,185</u>
Other financing sources				
Transfers in	1,674,470	1,752,790	1,552,790	(200,000)
Total other financing sources	<u>1,674,470</u>	<u>1,752,790</u>	<u>1,552,790</u>	<u>(200,000)</u>
Net change in fund balances	-	(140,248)	(89,063)	51,185
Fund balance, beginning of year	<u>185,158</u>	<u>185,158</u>	<u>185,158</u>	<u>-</u>
Fund balance, end of year	<u>\$ 185,158</u>	<u>\$ 44,910</u>	<u>\$ 96,095</u>	<u>\$ 51,185</u>

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

CITY OF RICHMOND HILL, GEORGIA

STATEMENT OF NET POSITION PROPRIETARY FUNDS DECEMBER 31, 2023

	Water and Sewer Fund	Stormwater Utility Fund	Total Enterprise Funds
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 17,281,452	\$ 284,181	\$ 17,565,633
Accounts receivable, net of allowance	644,834	45,527	690,361
Prepaid items	4,417	-	4,417
Note receivable, current portion	49,502	-	49,502
Restricted cash	8,085,342	-	8,085,342
Total current assets	26,065,547	329,708	26,395,255
NON-CURRENT ASSETS			
Long-term receivable	4,731,147	-	4,731,147
Capital assets:			
Non-depreciable	1,452,154	12,700	1,464,854
Depreciable, net of accumulated depreciation	52,250,333	5,524,142	57,774,475
Total non-current assets	58,433,634	5,536,842	63,970,476
Total assets	84,499,191	5,866,550	90,365,731
DEFERRED OUTFLOWS OF RESOURCES			
Pension	167,342	-	167,342
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	393,323	8,617	401,940
Accrued liabilities	35,269	-	35,269
Current portion of compensated absences	11,492	-	11,492
Current portion of notes payable	1,642,138	-	1,642,138
Current portion of financed purchases	-	32,304	32,304
Current portion of bonds payable	225,027	-	225,027
Total current liabilities	2,307,249	40,921	2,348,170
NON-CURRENT LIABILITIES			
Compensated absences	10,191	-	10,191
Notes payable	23,417,295	-	23,417,295
Financed purchases	-	27,401	27,401
Bonds payable	526,820	-	526,820
Net pension liability	204,858	-	204,858
Total non-current liabilities	24,159,164	27,401	24,186,565
Total liabilities	26,466,413	68,322	26,534,735
DEFERRED INFLOWS OF RESOURCES			
Pension	14,454	-	14,454
NET POSITION			
Net investment in capital assets	27,816,336	5,477,137	33,293,473
Restricted for:			
Capital projects	7,972,576	-	7,972,576
Unrestricted	22,396,744	321,091	22,717,835
Total net position	\$ 58,185,656	\$ 5,798,228	\$ 63,983,884

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, 2023**

	Water and Sewer Fund	Stormwater Utility Fund	Total Enterprise Funds
OPERATING REVENUE			
Charges for services	\$ 8,042,885	\$ 610,432	\$ 8,653,317
Miscellaneous	90,877	-	90,877
Total operating revenues	<u>8,133,762</u>	<u>610,432</u>	<u>8,744,194</u>
OPERATING EXPENSES			
Cost of sales and services	5,431,730	507,144	5,938,874
Depreciation	1,787,346	213,324	2,000,670
Total operating expenses	<u>7,219,076</u>	<u>720,468</u>	<u>7,939,544</u>
Operating income (loss)	<u>914,686</u>	<u>(110,036)</u>	<u>804,650</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest income	870,037	9,938	879,975
Interest expense	(447,010)	(1,481)	(448,491)
Insurance reimbursement	151,150	-	151,150
Total non-operating revenues, net	<u>574,177</u>	<u>8,457</u>	<u>582,634</u>
Income (loss) before capital contributions	1,488,863	(101,579)	1,387,284
CAPITAL CONTRIBUTIONS	<u>3,364,485</u>	<u>615,587</u>	<u>3,980,072</u>
Change in net position	4,853,348	514,008	5,367,356
Net position, beginning of year	<u>53,332,308</u>	<u>5,284,220</u>	<u>58,616,528</u>
Net position, end of year	<u>\$ 58,185,656</u>	<u>\$ 5,798,228</u>	<u>\$ 63,983,884</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, 2023**

	Water and Sewer Fund	Stormwater Utility Fund	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 8,838,514	\$ 607,972	\$ 9,446,486
Cash paid to suppliers	(4,845,195)	(518,957)	(5,364,152)
Cash paid to employees	(552,603)	-	(552,603)
Net cash provided by operating activities	<u>3,440,716</u>	<u>89,015</u>	<u>3,529,731</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Insurance reimbursement	151,150	-	151,150
Acquisition and construction of capital assets	(511,547)	-	(511,547)
Capital contributions	2,310,666	-	2,310,666
Principal payments on debt	(1,835,140)	(31,691)	(1,866,831)
Interest payments on debt	(447,010)	(1,481)	(448,491)
Net cash used in capital and related financing activities	<u>(331,881)</u>	<u>(33,172)</u>	<u>(365,053)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest earned on investments:	<u>870,037</u>	<u>9,938</u>	<u>879,975</u>
Net cash provided by investing activities	<u>870,037</u>	<u>9,938</u>	<u>879,975</u>
Net change in cash and cash equivalents	3,978,872	65,781	4,044,653
Cash and cash equivalents, beginning of year	<u>21,387,922</u>	<u>218,400</u>	<u>21,606,322</u>
Cash and cash equivalents, end of year	<u>\$ 25,366,794</u>	<u>\$ 284,181</u>	<u>\$ 25,650,975</u>
Cash and cash equivalents	\$ 17,281,452	\$ 284,181	\$ 17,565,633
Restricted cash	8,085,342	-	8,085,342
	<u>\$ 25,366,794</u>	<u>\$ 284,181</u>	<u>\$ 25,650,975</u>

(Continued)

CITY OF RICHMOND HILL, GEORGIA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Water and Sewer Fund</u>	<u>Stormwater Utility Fund</u>	<u>Total Enterprise Funds</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 914,686	\$ (110,036)	\$ 804,650
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	1,787,346	213,324	2,000,670
(Increase) decrease in:			
Accounts receivable	(26,319)	(2,460)	(28,779)
Long-term receivable	731,071	-	731,071
Prepays	(4,417)	-	(4,417)
Deferred outflows of resources - pension	(125,476)	-	(125,476)
Increase (decrease) in:			
Accounts payable	9,319	(11,813)	(2,494)
Accrued liabilities	(2,535)	-	(2,535)
Compensated absences	(2,137)	-	(2,137)
Net pension liability	248,885	-	248,885
Deferred inflows of resources - pension	(89,707)	-	(89,707)
Net cash provided by operating activities	<u>\$ 3,440,716</u>	<u>\$ 89,015</u>	<u>\$ 3,529,731</u>
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Contributions from developers	\$ 808,893	\$ 509,315	\$ 1,318,208
Capital assets transferred from governmental activities	244,926	106,272	351,198
Net non-cash investing, capital and financing activities	<u>\$ 1,053,819</u>	<u>\$ 615,587</u>	<u>\$ 1,669,406</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, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Richmond Hill, Georgia (the “City” or the “primary government”) 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, 2023, the City paid \$21,623 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

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements

Government-wide Statements (Continued)

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 fees charged by the Richmond Hill Fire Department for fire services. Funds can only be used for the Fire Department.

The *Capital Improvements Fund* is used to account for the financial resources to be used for the acquisition of equipment or the construction of major capital projects.

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.

The *Transportation Special Purpose Local Option Sales Tax ("TSPLOST") 2023-2028 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Major Funds (Continued)

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 and one Capital Projects Fund. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes. The Capital Projects 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.

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, 2023.

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 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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category, which are related to pension obligations as follows:

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Deferred Outflows/Inflows of Resources (Continued)

Deferred Inflows of Resources

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

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

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

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. Through resolution, City Council has authorized the City Manager or Finance Director to assign fund balance.

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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Accrued Liabilities and Long-Term Obligations (Continued)

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.

N. Leases

Lessor

The City is a lessor for a noncancellable lease of property. The City recognizes a lease receivable and deferred inflows of resources for deferred lease income in the government-wide financial statements and fund financial statements. The City recognizes lease receivables with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Leases (Continued)

Lessor (Continued)

Key estimates and judgments related to leases include how the City determines: 1) the discount rate it uses to discount the expected lease receivable to present value, 2) lease term, and 3) lease revenue:

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease receivable are composed of fixed payments expected to be received during the lease period.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and receivable if certain changes occur that are expected to significantly affect the amount of the lease receivable.

O. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expense/expenditure is reported in the year in which the services are consumed.

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, 2023 are summarized as follows:

Statement of Net Position:	
Cash and cash equivalents	\$ 49,869,048
Investments	1,559,856
Restricted cash	9,574,711
Component unit - cash and cash equivalents	329,712
	<u>\$ 61,333,327</u>
Cash deposited with financial institutions	\$ 41,490,197
Certificates of deposit	1,559,856
Cash deposited with Georgia Fund 1	18,283,274
	<u>\$ 61,333,327</u>

Certain cash and cash equivalents of the City are legally restricted for specified purposes. Restrictions at December 31, 2023 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, 2023, the investments of the City were:

Investment and Cash Equivalent	Average Credit Rating	Fair Value	Maturities
Georgia Fund 1	AAAf	\$ 18,283,274	26 day weighted average
Certificates of deposit	N/A	1,559,856	12 months
		\$ 19,843,130	

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 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, 2023, 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, 2023, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Fire Department Fund	SPLOST VII Fund	TSPLOST 2023-2028	Nonmajor Governmental Funds	Water and Sewer Fund	Stormwater Fund	Total
Receivables:								
Taxes	\$ 154,731	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 154,731
Accounts	1,157,150	69,519	-	-	83,702	1,314,500	93,722	2,718,593
Leases	320,231	-	-	-	-	-	-	320,231
Due from other governments	1,043,672	183,974	853,082	739,001	-	-	-	2,819,729
Gross receivables	<u>2,675,784</u>	<u>253,493</u>	<u>853,082</u>	<u>739,001</u>	<u>83,702</u>	<u>1,314,500</u>	<u>93,722</u>	<u>6,013,284</u>
Less allowance for uncollectibles	<u>(131,657)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(669,666)</u>	<u>(48,195)</u>	<u>(849,518)</u>
Net receivables	<u>\$ 2,544,127</u>	<u>\$ 253,493</u>	<u>\$ 853,082</u>	<u>\$ 739,001</u>	<u>\$ 83,702</u>	<u>\$ 644,834</u>	<u>\$ 45,527</u>	<u>\$ 5,163,766</u>

Property Taxes. Property taxes are assessed as of January 1 and taxes were levied on September 12, 2023. A millage rate of 4.132 mills was adopted on September 5, 2023. Tax bills were rendered on December 1, 2023 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 \$129,132 at year-end with a current portion of \$49,502.

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 phases. Phase I of the project was completed in 2020, Phase II of the project was completed in 2021, and Phase III was completed in 2022, and the long-term portion due from the LLC totaled \$4,602,015 at year-end.

Lessor – Lease Receivable. The City is the lessor for certain property as noted in Note 1. The City recognized \$25,117 as lease revenue for the year ended December 31, 2023.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES (CONTINUED)

Lessor – Lease Receivable (Continued)

Minimum future revenues and rentals to be received under the lease as of December 31, 2023 are as follows:

Year	Principal	Interest	Total
2024	\$ 26,022	\$ 9,978	\$ 36,000
2025	26,950	9,050	36,000
2026	27,904	8,096	36,000
2027	28,885	7,115	36,000
2028	29,893	6,107	36,000
2029 – 2033	180,577	14,423	195,000
	\$ 320,231	\$ 54,769	\$ 375,000

NOTE 5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund receivable and payable balances as of December 31, 2023 is as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor governmental	\$ 35,867
General	Fire Department	83,000
Nonmajor governmental	Nonmajor governmental	57,021
		\$ 175,888
Discretely presented component unit - Convention and Visitor's Bureau	Primary government - Nonmajor governmental	\$ 57,001

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

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	\$ 610,381
Nonmajor governmental	Nonmajor governmental	407,111
Capital improvements	Nonmajor governmental	379,144
Capital improvements	General	2,002,764
SPLOST VII	General	89,161
Nonmajor governmental	General	150,000
Fire Department	General	1,552,790
		<u>\$ 5,191,351</u>

Interfund transfers were used to: 1) fund capital projects and equipment purchases, 2) fund operations of the Fire Department and Downtown Development Authority, and 3) allocate hotel/motel taxes based on State Law.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

Capital asset activity for the governmental activities for the year ended December 31, 2023 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated					
Land	\$ 3,765,184	\$ 453,400	\$ -	\$ -	\$ 4,218,584
Right of way	805,000	-	-	-	805,000
Construction in progress	4,880,184	913,342	-	(4,278,332)	1,515,194
Total	<u>9,450,368</u>	<u>1,366,742</u>	<u>-</u>	<u>(4,278,332)</u>	<u>6,538,778</u>
Capital assets, being depreciated:					
Buildings and improvements	11,768,078	415,325	-	-	12,183,403
Infrastructure and other structures	17,940,158	594,665	-	4,083,580	22,618,403
Machinery, equipment and vehicles	7,963,027	1,147,307	(214,834)	(156,446)	8,739,054
Total	<u>37,671,263</u>	<u>2,157,297</u>	<u>(214,834)</u>	<u>3,927,134</u>	<u>43,540,860</u>
Less accumulated depreciation for:					
Buildings and improvements	(4,995,751)	(423,727)	-	-	(5,419,478)
Infrastructure and other structures	(4,964,606)	(801,953)	-	-	(5,766,559)
Machinery, equipment and vehicles	(5,651,676)	(619,308)	71,517	-	(6,199,467)
Total	<u>(15,612,033)</u>	<u>(1,844,988)</u>	<u>71,517</u>	<u>-</u>	<u>(17,385,504)</u>
Total capital assets, being depreciated, net	<u>22,059,230</u>	<u>312,309</u>	<u>(143,317)</u>	<u>3,927,134</u>	<u>26,155,356</u>
Governmental activities capital assets, net	<u>\$ 31,509,598</u>	<u>\$ 1,679,051</u>	<u>\$ (143,317)</u>	<u>\$ (351,198)</u>	<u>\$ 32,694,134</u>

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

General government	\$ 118,274
Public works	840,897
Culture and recreation	124,693
Housing and development	196,505
Total depreciation expense - governmental activities	<u>\$ 1,280,369</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the business-type activities for the year ended December 31, 2023 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type Activities					
Capital assets, not being depreciated:					
Land	\$ 1,100,329	\$ -	\$ -	\$ -	\$ 1,100,329
Construction in progress	96,017	73,756	-	194,752	364,525
Total	<u>1,196,346</u>	<u>73,756</u>	<u>-</u>	<u>194,752</u>	<u>1,464,854</u>
Capital assets, being depreciated:					
Utility plant and equipment	73,329,257	1,484,693	(5,271)	-	74,808,679
Buildings	124,464	-	-	-	124,464
Machinery, equipment and vehicles	1,069,016	271,306	-	156,446	1,496,768
Total	<u>74,522,737</u>	<u>1,755,999</u>	<u>(5,271)</u>	<u>156,446</u>	<u>76,429,911</u>
Less accumulated depreciation for:					
Utility plant and equipment	(15,745,514)	(1,889,661)	5,271	-	(17,629,904)
Buildings	(124,464)	-	-	-	(124,464)
Machinery, equipment and vehicles	(790,059)	(111,009)	-	-	(901,068)
Total	<u>(16,660,037)</u>	<u>(2,000,670)</u>	<u>5,271</u>	<u>-</u>	<u>(18,655,436)</u>
Total capital assets, being depreciated, net	<u>57,862,700</u>	<u>(244,671)</u>	<u>-</u>	<u>156,446</u>	<u>57,774,475</u>
Business-type activities capital assets, net	<u>\$ 59,059,046</u>	<u>\$ (170,915)</u>	<u>\$ -</u>	<u>\$ 351,198</u>	<u>\$ 59,239,329</u>

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

Water and Sewer Fund	\$ 1,787,346
Stormwater Utility Fund	<u>213,324</u>
Total depreciation expense business-type activities	<u>\$ 2,000,670</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT

Financed Purchases

The City has entered into financed purchase agreements for financing the acquisition of land, buildings, vehicles, and other equipment. Interest rates range from 1.00% to 5.00%. The duration of the agreements is for five to ten years.

The debt service requirements for the City's financed purchase agreements in governmental activities are as follows:

Year	Principal	Interest	Total
2024	\$ 251,381	\$ 14,403	\$ 265,784
2025	173,245	8,867	182,112
2026	134,067	4,542	138,609
2027	124,336	1,471	125,807
	\$ 683,029	\$ 29,283	\$ 712,312

The debt service requirements for the City's financed purchase agreements in business-type activities are as follows:

Year	Principal	Interest	Total
2024	\$ 32,304	\$ 868	\$ 33,172
2025	27,401	242	27,643
	\$ 59,705	\$ 1,110	\$ 60,815

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 (the "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
2024	\$ 611,708	\$ 73,358	\$ 685,066
2025	399,359	54,959	454,318
2026	242,607	47,019	289,626
2027	249,290	40,366	289,656
2028	256,157	33,626	289,783
2029 – 2032	1,031,143	61,849	1,092,992
	\$ 2,790,264	\$ 311,177	\$ 3,101,441

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 was used for the cost of the above property. The note has an interest rate of 3.49% with a maturity date of October 9, 2028.

The note debt service requirements to maturity are as follows:

Year	Principal	Interest	Total
2024	\$ 59,622	\$ 12,101	\$ 71,723
2025	61,737	10,058	71,795
2026	63,926	7,944	71,870
2027	66,193	5,755	71,948
2028	56,955	1,117	58,072
	\$ 308,433	\$ 36,975	\$ 345,408

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 was paid off during fiscal year 2023.

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%	\$ 1,535,603
GEFA – Construction of new wastewater treatment facility and all necessary appurtenances – Phase I	3,500,000	3.00%	2,358,744
GEFA – Construction of new wastewater treatment facility and all necessary appurtenances – Phase II	10,000,000	1.40%	6,092,188
GEFA – Construction of new wastewater treatment facility and all necessary appurtenances – Phase III	10,500,000	1.03%	7,063,930
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%	2,660,234
GEFA – Construction of a water main, sewer force main, and reuse main infrastructure	2,900,000	1.75%	2,526,944
GEFA – Construction of a water main, sewer force main, and reuse main infrastructure	2,996,500	1.44%	<u>2,821,790</u>
Total loans			25,059,433
Less: current portion			<u>(1,642,138)</u>
Total long-term debt			<u>\$ 23,417,295</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:

Year	Principal	Interest	Total
2024	\$ 1,642,138	\$ 401,682	\$ 2,043,820
2025	1,669,317	374,503	2,043,820
2026	1,702,281	341,539	2,043,820
2027	1,730,631	313,188	2,043,819
2028	1,756,714	287,105	2,043,819
2029 – 2033	9,221,154	997,944	10,219,098
2034 – 2038	5,869,013	298,926	6,167,939
2039 – 2042	1,468,185	39,613	1,507,798
	\$ 25,059,433	\$ 3,054,500	\$ 28,113,933

Water and Sewer Bond

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

Year	Principal	Interest	Total
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
	\$ 751,847	\$ 30,970	\$ 782,817

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2023 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Financed purchases	\$ 982,398	\$ -	\$ (299,369)	\$ 683,029	\$ 251,381
Bonds payable	3,382,377	-	(592,113)	2,790,264	611,708
Notes payable - direct borrowings	366,010	-	(57,577)	308,433	59,622
Intergovernmental payable	1,221,000	-	(1,221,000)	-	-
Compensated absences	186,079	238,253	(189,607)	234,725	124,404
Net pension liability	-	3,718,989	(752,518)	2,966,471	-
Total long-term liabilities	\$ 6,137,864	\$ 3,957,242	\$ (3,112,184)	\$ 6,982,922	\$ 1,047,115
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities					
Bonds payable - direct placement	\$ 971,455	\$ -	\$ (219,608)	\$ 751,847	\$ 225,027
GEFA loans payable - direct borrowings	26,674,965	-	(1,615,532)	25,059,433	1,642,138
Financed purchases	91,396	-	(31,691)	59,705	32,304
Compensated absences	23,820	19,871	(22,008)	21,683	11,492
Net pension liability	-	284,794	(79,936)	204,858	-
Total long-term liabilities	\$ 27,761,636	\$ 304,665	\$ (1,968,775)	\$ 26,097,526	\$ 1,910,961

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.

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 (the "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.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. RISK MANAGEMENT (CONTINUED)

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, 2023. No provisions have been made in the financial statements for the year ended December 31, 2023, 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 is involved in a number of legal matters, which either have or could result in litigation. The nature of the lawsuits varies considerably. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the City. The City is the party to litigation where a significant financial impact is expected. The City has not recorded a liability as the amount of financial impact cannot be reasonably estimated.

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, 2023, the City had outstanding construction commitments totaling \$874,128 related to SPLOST 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, 2023, the date of the most recent actuarial valuation, there were 203 participants consisting of the following:

Inactive plan members or beneficiaries currently receiving benefits	43
Inactive plan members entitled to but not receiving benefits	56
Active plan members	104
Total	<u>203</u>

Net Pension Liability of the City and CVB

The City and CVB's net pension liability was measured as of March 31, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023, with updated procedures performed by the actuary to roll forward to the total pension liability measured as of March 31, 2023.

Actuarial Assumptions. The total pension liability in the July 1, 2023, 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 Liability 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, 2023, 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, 2023 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%	6.80%
Real estate	10%	3.90%
Global fixed income	5%	0.46%
Domestic fixed income	20%	0.40%
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) Liability of the City and CVB

The changes in the components of the net pension (asset) liability of the City for the year ended December 31, 2023 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (a) - (b)
Beginning Balance	\$ 12,664,693	\$ 12,992,322	\$ (327,629)
<i>Changes for the year:</i>			
Service cost	281,366	-	281,366
Interest	925,409	-	925,409
Differences between expected and actual experience	1,895,373	-	1,895,373
Contributions - employer	-	336,753	(336,753)
Contributions - employee	-	168,072	(168,072)
Net investment income	-	(867,375)	867,375
Benefit payments, including refunds of employee contributions	(798,927)	(798,927)	-
Administrative expense	-	(34,260)	34,260
<i>Net changes</i>	2,303,221	(1,195,737)	3,498,958
Ending Balance	\$ 14,967,914	\$ 11,796,585	\$ 3,171,329

The changes in the components of the net pension (asset) liability of the CVB for the year ended December 31, 2023 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (a) - (b)
Beginning Balance	\$ 144,014	\$ 148,276	\$ (4,262)
<i>Changes for the year:</i>			
Service cost	3,170	-	3,170
Interest	10,425	-	10,425
Differences between expected and actual experience	21,351	-	21,351
Contributions - employer	-	3,794	(3,794)
Contributions - employee	-	1,893	(1,893)
Net investment income	-	(9,771)	9,771
Benefit payments, including refunds of employee contributions	(9,000)	(9,000)	-
Administrative expense	-	(385)	385
<i>Net changes</i>	25,946	(13,469)	39,415
Ending Balance	\$ 169,960	\$ 134,807	\$ 35,153

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

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
City's net pension liability	\$ 5,310,995	\$ 3,171,329	\$ 1,436,965
CVB's net pension liability	59,827	35,153	16,187

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, 2023, 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, 2023, the City recognized pension expense of \$814,253. At December 31, 2023, 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	\$ 521,623	\$ -
Changes in actuarial assumptions	-	6,760
Differences between expected and actual experience	1,801,577	49,627
Contributions subsequent to the measurement date	247,872	-
Total	\$ 2,571,072	\$ 56,387

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 \$247,872 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, 2024. 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,		
2024	\$	616,732
2025		405,558
2026		881,805
2027		362,718
Total		\$ 2,266,813

For the year ended December 31, 2023, the CVB recognized pension expense of \$9,172. At December 31, 2023, 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	\$ 5,876	\$ -
Changes in actuarial assumptions	-	76
Differences between expected and actual experience	19,885	691
Contributions subsequent to the measurement date	2,792	-
Total	\$ 28,553	\$ 767

CVB contributions subsequent to the measurement date of \$2,792 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, 2024. 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,		
2024	\$	6,947
2025		4,569
2026		9,392
2027		4,086
Total		\$ 24,994

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, 2023, the cumulative property tax not collected by the City due to incentive agreements was approximately \$94,312. The companies that received incentives discontinued operations at the beginning of 2024.

NOTE 12. HOTEL/MOTEL TAX

The City has levied a 7% hotel/motel tax. For the year ended December 31, 2023, \$1,424,460 of hotel/motel tax was collected. Of the total, 100% was used to promote tourism within the City (\$406,968 to the Convention and Visitor's Bureau, \$610,381 to the General Fund, and \$407,111 to the City Center Fund).

NOTE 13. LEASES

Lease Assets – Component Unit ("CVB")

A summary of lease asset activity for the CVB for the year ended December 31, 2023 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Remeasure</u>	<u>Ending Balance</u>
Lease Assets:					
Buildings	\$ 447,000	\$ -	\$ -	\$ -	\$ 447,000
Less accumulated amortization, buildings	<u>(108,213)</u>	<u>(30,799)</u>	<u>-</u>	<u>-</u>	<u>(139,012)</u>
Total leased assets, net	<u>\$ 338,787</u>	<u>\$ (30,799)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 307,988</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 13. LEASES (CONTINUED)

Lease Liabilities – Component Unit (“CVB”)

A summary of lease liability activity for the CVB for the year ended December 31, 2023 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Lease liabilities	\$ 345,348	\$ -	\$ (25,117)	\$ 320,231	\$ 26,022

The CVB has entered into a lease agreement for a period of 12 years as lessee for the use of a certain building. The lease has an imputed interest rate of 2.72%. Principal and interest expenditures to maturity for lease liabilities as of December 31, 2023, are as follows:

Fiscal Year	Principal	Interest	Total
2024	\$ 26,022	\$ 9,978	\$ 36,000
2025	26,950	9,050	36,000
2026	27,904	8,096	36,000
2027	28,885	7,115	36,000
2028	29,893	6,107	36,000
2029 – 2033	180,577	14,423	195,000
Total	\$ 320,231	\$ 54,769	\$ 375,000

NOTE 14. SUBSEQUENT EVENTS

In fiscal year 2024, the City was awarded a new GEFA loan in the amount of \$3,250,000 for the purpose of constructing an elevated storage tank, water main, and related appurtenances.

In fiscal year 2024, the City awarded contracts for a water tank in the amount of \$6,900,000 and for a fire truck in the amount of \$1,500,000.



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF RICHMOND HILL, GEORGIA

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

	Fiscal Year			
	2023	2022	2021	2020
Total pension liability				
Service cost	\$ 284,536	\$ 278,690	\$ 252,291	\$ 251,834
Interest on total pension liability	935,834	891,479	785,047	775,175
Differences between expected and actual experience	1,916,724	70,513	854,023	(251,589)
Benefit payments, including refunds of employee contributions	(807,927)	(482,280)	(466,946)	(398,367)
Assumption changes	-	-	-	-
Other	-	-	-	(34,181)
Net change in total pension liability	2,329,167	758,402	1,424,415	342,872
Total pension liability - beginning	12,808,707	12,050,305	10,625,890	10,283,018
Total pension liability - ending (a)	15,137,874	12,808,707	12,050,305	10,625,890
Plan fiduciary net position				
Contributions - employer	340,547	267,831	282,992	211,882
Contributions - employee	169,965	149,998	137,720	132,611
Net investment income	(877,146)	760,887	3,894,703	(652,616)
Benefit payments, including refunds of employee contributions	(807,927)	(482,280)	(466,946)	(398,367)
Administrative expenses	(34,645)	(28,542)	(27,053)	(29,383)
Net change in plan fiduciary net position	(1,209,206)	667,894	3,821,416	(735,873)
Plan fiduciary net position - beginning	13,140,598	12,472,704	8,651,288	9,387,161
Plan fiduciary net position - ending (b)	11,931,392	13,140,598	12,472,704	8,651,288
City's net pension liability (asset) (a) - (b)	\$ 3,206,482	\$ (331,891)	\$ (422,399)	\$ 1,974,602
Plan fiduciary net position as a percentage of the total pension liability	78.8%	102.6%	103.5%	81.4%
Covered payroll	\$ 5,338,647	\$ 5,029,536	\$ 4,694,475	\$ 4,520,012
City's net pension liability (asset) as a percentage of covered payroll	60.06%	-6.60%	-9.00%	43.69%

Notes to the Schedule

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

Fiscal Year				
2019	2018	2017	2016	2015
\$ 234,054	\$ 255,469	\$ 221,705	\$ 224,265	\$ 250,565
703,609	684,447	607,952	563,736	562,342
382,012	(252,797)	397,935	(56,591)	165,667
(368,107)	(302,558)	(178,570)	(143,182)	(145,209)
148,123	(184,083)	-	-	(816,396)
-	-	-	-	-
1,099,691	200,478	1,049,022	588,228	16,969
9,183,327	8,982,849	7,933,827	7,345,599	7,328,630
10,283,018	9,183,327	8,982,849	7,933,827	7,345,599
217,360	247,318	219,119	322,297	277,878
124,125	113,490	112,041	97,268	89,480
323,893	1,003,747	896,892	25,554	587,119
(368,107)	(302,558)	(178,570)	(143,182)	(145,209)
(26,697)	(26,917)	(27,333)	(18,175)	(16,303)
270,574	1,035,080	1,022,149	283,762	792,965
9,116,587	8,081,507	7,059,358	6,775,596	5,982,631
9,387,161	9,116,587	8,081,507	7,059,358	6,775,596
<u>\$ 895,857</u>	<u>\$ 66,740</u>	<u>\$ 901,342</u>	<u>\$ 874,469</u>	<u>\$ 570,003</u>
91.3%	99.3%	90.0%	89.0%	92.2%
\$ 4,042,212	\$ 3,970,402	\$ 3,446,777	\$ 3,345,260	\$ 3,243,743
22.16%	1.68%	26.15%	26.14%	17.57%

CITY OF RICHMOND HILL, GEORGIA

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

	Fiscal Year			
	2023	2022	2021	2020
Actuarially determined contribution	\$ 334,218	\$ 329,216	\$ 263,434	\$ 261,144
Contributions in relation to the actuarially determined contribution	<u>334,218</u>	<u>329,216</u>	<u>263,434</u>	<u>261,144</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 5,839,500	\$ 5,338,647	\$ 5,029,536	\$ 4,694,475
Contributions as a percentage of covered payroll	5.7%	6.2%	5.2%	5.6%

Notes to the Schedule

Valuation date	July 1, 2023
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				
2019	2018	2017	2016	2015
\$ 200,623	\$ 246,360	\$ 222,145	\$ 217,867	\$ 346,287
<u>200,623</u>	<u>246,336</u>	<u>331,160</u>	<u>189,672</u>	<u>371,519</u>
<u>\$ -</u>	<u>\$ 24</u>	<u>\$ (109,015)</u>	<u>\$ 28,195</u>	<u>\$ (25,232)</u>
\$ 4,520,012	\$ 4,042,212	\$ 3,970,402	\$ 3,446,777	\$ 3,345,260
4.4%	6.1%	8.3%	5.5%	11.1%



SUPPLEMENTARY INFORMATION



**COMBINING AND INDIVIDUAL NONMAJOR FUND FINANCIAL
STATEMENTS AND SCHEDULES**



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.

American Rescue Plan Act (“ARPA”) Fund – accounts for the activity established by the American Rescue Plan Act of 2021.

CAPITAL PROJECTS FUND

Transportation Special Purpose Local Option Sales Tax (“TSPLOST”) 2018-2023 Fund – accounts 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.



CITY OF RICHMOND HILL, GEORGIA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	Special Revenue Funds					Capital Projects Fund	Total Nonmajor Governmental Funds
	Confiscated Assets Fund	Hotel/Motel Tax Fund	City Center Fund	Downtown Development Authority Fund	ARPA Fund	TSPLOST 2018-2023	
ASSETS							
Cash and cash equivalents	\$ 88,321	\$ 66,187	\$ 780,814	\$ 150,999	\$ -	\$ 3,882,322	\$ 4,968,643
Receivables, net of allowance	-	83,702	-	-	-	-	83,702
Due from other funds	-	-	57,021	-	-	-	57,021
Total assets	<u>\$ 88,321</u>	<u>\$ 149,889</u>	<u>\$ 837,835</u>	<u>\$ 150,999</u>	<u>\$ -</u>	<u>\$ 3,882,322</u>	<u>\$ 5,109,366</u>
LIABILITIES AND FUND BALANCE							
LIABILITIES							
Accounts payable	\$ 37,287	\$ -	\$ 21,854	\$ -	\$ -	\$ -	\$ 59,141
Due to component unit	-	57,001	-	-	-	-	57,001
Due to other funds	-	92,888	-	-	-	-	92,888
Total liabilities	<u>37,287</u>	<u>149,889</u>	<u>21,854</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>209,030</u>
FUND BALANCE							
Restricted for:							
Public safety	51,034	-	-	-	-	-	51,034
Capital projects	-	-	-	-	-	3,882,322	3,882,322
Housing and development	-	-	815,981	150,999	-	-	966,980
Total fund balance	<u>51,034</u>	<u>-</u>	<u>815,981</u>	<u>150,999</u>	<u>-</u>	<u>3,882,322</u>	<u>4,900,336</u>
Total liabilities and fund balance	<u>\$ 88,321</u>	<u>\$ 149,889</u>	<u>\$ 837,835</u>	<u>\$ 150,999</u>	<u>\$ -</u>	<u>\$ 3,882,322</u>	<u>\$ 5,109,366</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, 2023**

	Special Revenue Funds					Capital Projects Fund	Total Nonmajor Governmental Funds
	Confiscated Assets Fund	Hotel/Motel Tax Fund	City Center Fund	Downtown Development Authority Fund	ARPA Fund	TSPLOST 2018-2023	
Revenues							
Taxes	\$ -	\$ 1,424,460	\$ -	\$ -	\$ -	\$ -	\$ 1,424,460
Intergovernmental revenues	-	-	-	-	379,144	2,117,628	2,496,772
Fines and forfeitures	45,253	-	-	-	-	-	45,253
Interest income	-	-	16,800	4,977	-	159,547	181,324
Total revenues	45,253	1,424,460	16,800	4,977	379,144	2,277,175	4,147,809
Expenditures							
Current:							
Public safety	20,400	-	-	-	-	-	20,400
Housing and development	-	406,968	202,292	47,005	-	-	656,265
Capital outlay	-	-	-	-	-	434,864	434,864
Debt service:							
Principal retirement	-	-	-	-	-	1,221,000	1,221,000
Interest	-	-	-	-	-	41,667	41,667
Total expenditures	20,400	406,968	202,292	47,005	-	1,697,531	2,374,196
Excess (deficiency) of revenues over (under) expenditures	24,853	1,017,492	(185,492)	(42,028)	379,144	579,644	1,773,613
Other Financing Sources (Uses)							
Transfers in	-	-	407,111	150,000	-	-	557,111
Transfers out	-	(1,017,492)	-	-	(379,144)	-	(1,396,636)
Total other financing sources (uses)	-	(1,017,492)	407,111	150,000	(379,144)	-	(839,525)
Net change in fund balances	24,853	-	221,619	107,972	-	579,644	934,088
Fund balances, beginning of year	26,181	-	594,362	43,027	-	3,302,678	3,966,248
Fund balances, end of year	\$ 51,034	\$ -	\$ 815,981	\$ 150,999	\$ -	\$ 3,882,322	\$ 4,900,336

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, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Fines and forfeitures	\$ 10,000	\$ 25,000	\$ 45,253	\$ 20,253
Total revenues	<u>10,000</u>	<u>25,000</u>	<u>45,253</u>	<u>20,253</u>
Expenditures				
Current:				
Public safety	10,000	25,000	20,400	4,600
Total expenditures	<u>10,000</u>	<u>25,000</u>	<u>20,400</u>	<u>4,600</u>
Net change in fund balances	-	-	24,853	24,853
Fund balance, beginning of year	<u>26,181</u>	<u>26,181</u>	<u>26,181</u>	<u>-</u>
Fund balance, end of year	<u>\$ 26,181</u>	<u>\$ 26,181</u>	<u>\$ 51,034</u>	<u>\$ 24,853</u>

CITY OF RICHMOND HILL, GEORGIA

**HOTEL/MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GAAP BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 1,100,000	\$ 1,452,900	\$ 1,424,460	\$ (28,440)
Total revenues	<u>1,100,000</u>	<u>1,452,900</u>	<u>1,424,460</u>	<u>(28,440)</u>
Expenditures				
Current:				
Housing and development	314,270	415,200	406,968	8,232
Total expenditures	<u>314,270</u>	<u>415,200</u>	<u>406,968</u>	<u>8,232</u>
Excess of revenues over expenditures	<u>785,730</u>	<u>1,037,700</u>	<u>1,017,492</u>	<u>(20,208)</u>
Other financing uses				
Transfers out	(785,730)	(1,037,700)	(1,017,492)	20,208
Total other financing uses	<u>(785,730)</u>	<u>(1,037,700)</u>	<u>(1,017,492)</u>	<u>20,208</u>
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Interest income	\$ 150	\$ 150	\$ 16,800	\$ 16,650
Total revenues	150	150	16,800	16,650
Expenditures				
Current:				
Housing and development	314,420	436,399	202,292	234,107
Total expenditures	314,420	436,399	202,292	234,107
Deficiency of revenues under expenditures	(314,270)	(436,249)	(185,492)	250,757
Other financing sources				
Transfers in	314,270	415,200	407,111	(8,089)
Total other financing sources	314,270	415,200	407,111	(8,089)
Net change in fund balances	-	(21,049)	221,619	242,668
Fund balance, beginning of year	594,362	594,362	594,362	-
Fund balance, end of year	\$ 594,362	\$ 573,313	\$ 815,981	\$ 242,668

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, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Interest income	\$ -	\$ -	\$ 4,977	\$ 4,977
Total revenues	-	-	4,977	4,977
Expenditures				
Current:				
Housing and development	-	190,857	47,005	143,852
Total expenditures	-	190,857	47,005	143,852
Deficiency of revenues under expenditures	-	(190,857)	(42,028)	148,829
Other financing sources				
Transfers in	-	150,000	150,000	-
Total other financing sources	-	150,000	150,000	-
Net change in fund balances	-	(40,857)	107,972	148,829
Fund balance, beginning of year	43,027	43,027	43,027	-
Fund balance, end of year	\$ 43,027	\$ 2,170	\$ 150,999	\$ 148,829

CITY OF RICHMOND HILL, GEORGIA

**ARPA FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GAAP BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 379,144	\$ 379,144	\$ -
Total revenues	-	379,144	379,144	-
Other financing uses				
Transfers out	-	(379,144)	(379,144)	-
Total other financing uses	-	(379,144)	(379,144)	-
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

CITY OF RICHMOND HILL, GEORGIA

**BALANCE SHEET
CONVENTION AND VISITOR'S BUREAU
DECEMBER 31, 2023**

ASSETS

Cash and cash equivalents	\$	329,712
Receivables, net of allowance		57,001
Prepaid items		<u>78</u>
Total assets	\$	<u><u>386,791</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$	<u>7,282</u>
Total liabilities		<u>7,282</u>

FUND BALANCE

Restricted for:

Culture and recreation		<u>379,509</u>
Total fund balance		<u>379,509</u>
Total liabilities and fund balance	\$	<u><u>386,791</u></u>

**RECONCILIATION OF THE CONVENTION AND VISITOR'S BUREAU BALANCE SHEET TO THE
STATEMENT OF NET POSITION**

Total fund balance	\$	379,509
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Amounts reported for the Convention and Visitor's Bureau in the Statement of Net Position are different because:

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

Costs of lease assets	\$ 447,000	
Accumulated amortization	<u>(139,012)</u>	307,988

Lease liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

(320,231)

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

Net pension liability	\$ (35,153)	
Deferred outflows related to pension	28,553	
Deferred inflows related to pension	<u>(767)</u>	<u>(7,367)</u>

Net position of the Convention and Visitor's Bureau in the Statement of Net Position	\$	<u><u>359,899</u></u>
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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, 2023**

Revenues	
Taxes	\$ 406,968
Miscellaneous	18,942
Total revenues	<u>425,910</u>
Expenditures	
Current:	
Housing and development	316,115
Debt service:	
Principal retirement	25,117
Interest	10,883
Total expenditures	<u>352,115</u>
Net change in fund balances	73,795
Fund balance, beginning of year	<u>305,714</u>
Fund balance, end of year	<u>\$ 379,509</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	\$ 73,795
Amounts reported for the Convention and Visitor's Bureau in the Statement of Activities different because:	
Governmental funds report lease assets as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the shorter of the lease term or their estimated useful lives and are reported as amortization expense. This represents amortization expense in the current period.	(30,799)
Governmental funds report debt proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of debt principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This represents repayment of the principal of lease liabilities.	25,117
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>(5,336)</u>
Change in net position of the Convention and Visitor's Bureau to the Statement of Activities	<u>\$ 62,777</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, 2023**

<u>Project</u>	<u>Original Estimated Cost</u>	<u>Current Estimated Cost</u>	<u>Expenditures</u>		
			<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Unassigned/assigned projects	\$ 11,000,000	\$ 2,221,598	\$ -	\$ -	\$ -
Government/historic buildings	-	1,310,550	946,229	31,911	978,140
Public safety	-	2,672,441	1,599,083	405,431	2,004,514
Parks	-	1,540,249	677,811	53,156	730,967
Streets and drainage	-	4,249,127	1,743,792	540,461	2,284,253
Water and sewer	-	65,000	-	62,874	62,874
Planning and zoning	-	166,150	66,688	-	66,688
Debt service	-	5,487,592	3,443,359	1,036,717	4,480,076
Totals	<u>\$ 11,000,000</u>	<u>\$ 17,712,707</u>	<u>\$ 8,476,962</u>	<u>\$ 2,130,550</u>	<u>\$ 10,607,512</u>

CITY OF RICHMOND HILL, GEORGIA

**SCHEDULE OF EXPENDITURES OF
TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS 2018-2023
FOR THE YEAR ENDED DECEMBER 31, 2023**

Project	Original Estimated Cost	Current Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
Transportation projects	\$ 9,165,750	\$ 2,456,945	\$ -	\$ -	\$ -
Great Ogeechee Parkway	-	2,482,470	1,812,013	434,864	2,246,877
Street lighting	-	32,000	32,000	-	32,000
Brisbon Road and Pedestrian Bridge	-	2,000,000	-	-	-
Interchange at Belfast Keller and I-95	-	5,204,652	3,941,984	1,262,667	5,204,651
Totals	\$ 9,165,750	\$ 12,176,067	\$ 5,785,997	\$ 1,697,531	\$ 7,483,528

CITY OF RICHMOND HILL, GEORGIA

**SCHEDULE OF EXPENDITURES OF
TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS 2023-2028
FOR THE YEAR ENDED DECEMBER 31, 2023**

<u>Project</u>	<u>Original Estimated Cost</u>	<u>Current Estimated Cost</u>	<u>Expenditures</u>		
			<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Transportation projects	\$ 28,000,000	\$ 15,847,210	\$ -	\$ -	\$ -
Belfast Keller	-	3,925,000	-	-	-
Totals	<u>\$ 28,000,000</u>	<u>\$ 19,772,210</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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.	82 – 86
Revenue Capacity These schedules contain information to help the reader understand and assess the factors affecting the City's ability to generate its most significant local revenue sources, the property tax and sales tax.	87 – 91
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	92 – 95
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.	96 and 97
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.	98 – 101

Note: Unless otherwise noted, the financial information in these schedules does 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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net investment in capital assets	\$ 18,682,124	\$ 19,883,968	\$ 18,642,587	\$ 16,357,705	\$ 16,917,104	\$ 17,803,365	\$ 20,361,059	\$ 21,573,113	\$ 25,225,022	\$ 28,912,408
Restricted	867,724	1,372,266	1,493,097	2,438,900	4,258,353	4,902,677	3,192,626	5,117,094	9,439,823	15,808,527
Unrestricted	4,652,954	2,747,819	2,419,278	4,641,397	367,861	1,069,106	6,322,207	8,924,040	16,572,825	20,669,602
Total governmental activities net position	\$ 24,202,802	\$ 24,004,053	\$ 22,554,962	\$ 23,438,002	\$ 21,543,318	\$ 23,775,148	\$ 29,875,892	\$ 35,614,247	\$ 51,237,670	\$ 65,390,537
Business-type activities										
Net investment in capital assets	\$ 15,403,972	\$ 18,638,358	\$ 20,313,098	\$ 24,575,170	\$ 24,810,040	\$ 25,193,212	\$ 30,149,056	\$ 30,027,032	\$ 31,277,723	\$ 33,293,473
Restricted	1,835,999	2,564,220	2,385,162	2,097,211	1,795,940	2,929,836	4,226,171	5,143,787	6,864,591	7,972,576
Unrestricted	7,039,758	5,051,434	5,078,716	5,729,585	7,609,017	9,848,521	12,311,450	16,528,965	20,474,214	22,717,835
Total business-type activities net position	\$ 24,279,729	\$ 26,254,012	\$ 27,776,976	\$ 32,401,966	\$ 34,214,997	\$ 37,971,569	\$ 46,686,677	\$ 51,699,784	\$ 58,616,528	\$ 63,983,884
Primary government										
Net investment in capital assets	\$ 34,086,096	\$ 38,522,326	\$ 38,955,685	\$ 40,932,875	\$ 41,727,144	\$ 42,996,577	\$ 50,510,115	\$ 51,600,145	\$ 56,502,745	\$ 62,205,881
Restricted	2,703,723	3,936,486	3,878,259	4,536,111	6,054,293	7,832,513	7,418,797	10,260,881	16,304,414	23,781,103
Unrestricted	11,692,712	7,799,253	7,497,994	10,370,982	7,976,878	10,917,627	18,633,657	25,453,005	37,047,039	43,387,437
Total primary government net position	\$ 48,482,531	\$ 50,258,065	\$ 50,331,938	\$ 55,839,968	\$ 55,758,315	\$ 61,746,717	\$ 76,562,569	\$ 87,314,031	\$ 109,854,198	\$ 129,374,421

CITY OF RICHMOND HILL, GEORGIA

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government	\$ 1,269,485	\$ 1,312,884	\$ 1,398,615	\$ 2,146,481	\$ 1,349,127	\$ 1,637,430	\$ 1,785,708	\$ 1,584,237	\$ 1,457,794	\$ 2,139,526
Judicial	37,234	36,081	37,434	41,703	40,926	165,305	186,728	181,603	154,548	170,898
Public safety	3,709,092	4,031,043	4,295,661	4,671,762	4,764,148	6,035,013	6,385,460	6,511,260	7,451,473	8,959,134
Public works	2,941,503	2,749,239	3,040,850	3,397,099	5,988,448	3,220,143	3,411,660	3,342,281	3,475,926	3,385,468
Culture and recreation	546,343	576,483	1,221,329	574,358	1,242,712	701,117	644,457	654,121	740,041	847,080
Housing and development	1,137,770	1,148,558	1,198,013	1,265,567	1,044,435	1,361,337	1,344,037	1,451,476	1,527,778	1,610,740
Interest on long-term debt	157,035	157,821	147,573	180,825	295,402	361,374	349,610	293,465	236,318	153,935
Total governmental activities expenses	9,798,462	10,012,109	11,339,475	12,277,795	14,725,198	13,481,719	14,107,660	14,018,443	15,043,878	17,266,781
Business-type activities:										
Water and sewer	4,004,582	4,525,632	8,528,365	6,260,332	5,912,160	6,164,843	6,462,647	6,737,488	6,890,935	7,666,086
Stormwater	-	-	303,599	669,914	807,704	656,029	608,798	707,547	616,755	721,949
Total business-type activities expenses	4,004,582	4,525,632	8,831,964	6,930,246	6,719,864	6,820,872	7,071,445	7,445,035	7,507,690	8,388,035
Total primary government expenses	\$ 13,803,044	\$ 14,537,741	\$ 20,171,439	\$ 19,208,041	\$ 21,445,062	\$ 20,302,591	\$ 21,179,105	\$ 21,463,478	\$ 22,551,568	\$ 25,654,816
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ -	\$ 300	\$ -	\$ 525	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	803,694	778,407	842,546	588,719	612,177	764,505	1,695,230	1,838,583	2,736,312	2,820,093
Public works	791,031	824,295	843,522	860,251	894,547	922,790	1,120,034	1,021,793	1,233,632	1,406,785
Culture and recreation	43,727	56,720	41,305	46,782	26,634	23,100	1,505	22,020	31,295	27,954
Housing and development	344,927	335,112	531,888	495,582	372,053	1,524,924	459,102	446,305	739,698	1,024,382
Operating grants and contr.	87,555	84,845	14,053	657,375	55,788	267,575	1,251,945	504,326	5,064,324	449,425
Capital grants and contr.	3,623,583	1,846,499	1,797,897	2,929,789	2,305,833	2,922,427	6,445,873	5,712,379	7,712,432	10,592,647
Total governmental activities program revenues	5,694,517	3,926,178	4,071,211	5,579,023	4,267,032	6,425,321	10,973,689	9,545,406	17,517,693	16,321,286

(Continued)

CITY OF RICHMOND HILL, GEORGIA

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Program Revenues (Continued)										
Business-type activities:										
Charges for services	\$ 3,758,182	\$ 4,644,946	\$ 6,758,327	\$ 6,978,473	\$ 7,593,868	\$ 7,890,519	\$ 7,761,189	\$ 8,103,693	\$ 8,415,501	\$ 8,653,317
Capital grants and contr.	4,452,598	1,824,762	2,348,525	4,499,283	1,410,996	2,383,506	7,994,353	3,758,947	5,785,187	3,628,874
Total business-type activities program revenues	<u>8,210,780</u>	<u>6,469,708</u>	<u>9,106,852</u>	<u>11,477,756</u>	<u>9,004,864</u>	<u>10,274,025</u>	<u>15,755,542</u>	<u>11,862,640</u>	<u>14,200,688</u>	<u>12,282,191</u>
Total primary government program revenues	<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>	<u>\$ 31,718,381</u>	<u>\$ 28,603,477</u>
Net (expense)/revenue governmental activities	\$ (4,103,945)	\$ (6,085,931)	\$ (7,268,264)	\$ (6,698,772)	\$ (10,458,166)	\$ (7,056,398)	\$ (3,133,971)	\$ (4,473,037)	\$ 2,473,815	\$ (945,495)
Business-type activities	4,206,198	1,944,076	274,888	4,547,510	2,285,000	3,453,153	8,684,097	4,417,605	6,692,998	3,894,156
Total primary government net expense	<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>	<u>\$ 9,166,813</u>	<u>\$ 2,948,661</u>
General Revenues										
Governmental activities:										
Taxes	\$ 6,799,149	\$ 6,911,407	\$ 6,919,478	\$ 7,364,258	\$ 8,039,403	\$ 8,568,759	\$ 8,949,764	\$ 10,405,365	\$ 12,882,351	\$ 14,690,010
Unrestricted invest. earnings	12,487	14,832	22,557	41,761	95,544	150,039	69,064	33,826	77,655	552,471
Miscellaneous	6,872	18,596	54,124	175,793	20,717	264,647	215,887	225,404	189,602	207,079
Transfers	40,000	-	(1,176,986)	-	500,000	81,805	-	(453,203)	-	(351,198)
Total governmental activities	<u>6,858,508</u>	<u>6,944,835</u>	<u>5,819,173</u>	<u>7,581,812</u>	<u>8,655,664</u>	<u>9,065,250</u>	<u>9,234,715</u>	<u>10,211,392</u>	<u>13,149,608</u>	<u>15,098,362</u>
Business-type activities:										
Unrestricted investment earnings	46,824	47,938	40,652	20,745	33,693	55,321	31,011	20,153	132,105	879,975
Miscellaneous	-	28,718	30,438	56,735	-	329,903	-	122,146	91,641	242,027
Transfers	(40,000)	-	1,176,986	-	(500,000)	(81,805)	-	453,203	-	351,198
Total business-type activities	<u>6,824</u>	<u>76,656</u>	<u>1,248,076</u>	<u>77,480</u>	<u>(466,307)</u>	<u>303,419</u>	<u>31,011</u>	<u>595,502</u>	<u>223,746</u>	<u>1,473,200</u>
Total primary government	<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>	<u>\$ 13,373,354</u>	<u>\$ 16,571,562</u>
Changes in Net Position										
Governmental activities	\$ 2,754,563	\$ 858,904	\$ (1,449,091)	\$ 883,040	\$ (1,802,502)	\$ 2,008,852	\$ 6,100,744	\$ 5,738,355	\$ 15,623,423	\$ 14,152,867
Business-type activities	4,213,022	2,020,732	1,522,964	4,624,990	1,818,693	3,756,572	8,715,108	5,013,107	6,916,744	5,367,356
Total primary government	<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>	<u>\$ 22,540,167</u>	<u>\$ 19,520,223</u>

CITY OF RICHMOND HILL, GEORGIA

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,617	\$ 175,957
Restricted	-	-	-	400,000	60,084	60,084	199,301	233,006	325,668	221,445
Assigned	-	-	-	-	-	-	-	940,000	-	-
Unassigned	4,819,620	3,715,632	3,255,393	5,828,833	5,578,410	6,293,607	7,631,599	8,240,329	11,826,665	13,839,072
Total General Fund	\$ 4,819,620	\$ 3,715,632	\$ 3,255,393	\$ 6,228,833	\$ 5,638,494	\$ 6,353,691	\$ 7,830,900	\$ 9,413,335	\$ 12,177,950	\$ 14,236,474
All Other Governmental Funds:										
Non-spendable										
Special revenue funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,084	\$ 1,577	\$ 3,698
Restricted										
Special revenue funds	175,624	208,040	228,542	233,398	185,446	255,973	377,064	564,073	847,151	1,110,411
Capital projects funds	692,100	1,164,226	1,292,147	1,805,502	4,012,823	4,586,620	2,616,261	4,320,015	7,983,402	14,476,671
Assigned										
Capital projects funds	-	-	-	-	-	-	-	-	4,981,878	7,392,496
Unassigned, reported in:										
Capital projects funds	-	-	-	-	-	-	(476,315)	-	-	-
Total all other governmental funds	\$ 867,724	\$ 1,372,266	\$ 1,520,689	\$ 2,038,900	\$ 4,198,269	\$ 4,842,593	\$ 2,517,010	\$ 4,886,172	\$ 13,814,008	\$ 22,983,276

CITY OF RICHMOND HILL, GEORGIA

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020 ^(a)	2021	2022	2023
Revenues										
Taxes	\$ 6,890,116	\$ 6,850,402	\$ 6,955,799	\$ 7,370,381	\$ 8,047,230	\$ 8,520,008	\$ 8,875,695	\$ 10,350,792	\$ 12,793,622	\$ 14,563,717
Licenses and permits	344,927	335,112	531,888	495,582	372,053	529,503	538,407	528,108	817,629	1,104,932
Intergovernmental	1,825,875	1,927,018	1,694,473	2,536,003	2,350,409	3,152,395	5,690,072	6,209,940	12,769,648	10,460,209
Charges for services	834,758	890,219	897,856	918,770	926,761	1,950,973	2,128,308	2,217,985	2,815,387	2,996,253
Fines and fees	803,694	769,503	829,517	577,507	606,597	754,843	523,245	664,411	1,185,852	1,258,579
Interest	15,550	18,058	27,153	46,773	106,456	187,646	96,902	40,591	84,763	1,134,334
Other	7,572	19,518	51,431	173,568	21,017	414,647	215,887	225,404	189,602	207,079
Total revenues	<u>10,722,492</u>	<u>10,809,830</u>	<u>10,988,117</u>	<u>12,118,584</u>	<u>12,430,523</u>	<u>15,510,015</u>	<u>18,068,516</u>	<u>20,237,231</u>	<u>30,656,503</u>	<u>31,725,103</u>
Expenditures										
General government	1,245,912	2,409,485	1,444,121	2,103,481	1,705,785	1,713,875	1,671,990	1,523,239	1,823,435	2,011,898
Judicial	37,234	36,081	37,434	41,703	40,926	164,292	181,923	188,931	159,285	163,158
Public safety	3,395,084	3,773,279	4,000,990	4,347,955	4,673,201	5,271,205	5,642,715	6,320,449	7,175,532	8,283,817
Public works	2,115,769	2,308,231	4,159,769	2,514,277	5,658,550	2,972,618	2,824,519	2,844,660	3,163,736	3,369,627
Culture and recreation	462,401	508,597	507,831	511,058	1,099,557	870,272	510,712	546,494	683,258	944,387
Housing and development	970,002	989,091	1,061,674	1,161,426	894,109	1,082,091	1,132,351	1,291,470	1,377,955	1,464,938
Capital outlay	1,784,355	1,049,254	1,438,757	768,332	937,865	1,848,301	5,601,523	1,225,520	2,240,044	1,922,021
Debt service:										
Principal	336,062	564,781	635,530	495,284	650,112	655,749	1,858,094	2,041,726	2,104,489	2,170,059
Interest	157,339	158,444	147,108	183,417	266,306	351,622	357,063	303,145	236,318	167,406
Total expenditures	<u>10,504,158</u>	<u>11,797,243</u>	<u>13,433,214</u>	<u>12,126,933</u>	<u>15,926,411</u>	<u>14,930,025</u>	<u>19,780,890</u>	<u>16,285,634</u>	<u>18,964,052</u>	<u>20,497,311</u>
Excess of revenues over (under) expenditures	<u>218,334</u>	<u>(987,413)</u>	<u>(2,445,097)</u>	<u>(8,349)</u>	<u>(3,495,888)</u>	<u>579,990</u>	<u>(1,712,374)</u>	<u>3,951,597</u>	<u>11,692,451</u>	<u>11,227,792</u>
Other Financing Sources (Uses)										
Debt issuance	348,155	387,967	631,387	3,500,000	4,650,000	624,748	864,000	-	-	-
Payment to refunded bond agent	-	-	-	-	-	-	-	-	-	-
Sale of surplus property	-	-	-	-	7,100	-	-	-	-	-
Transfers in	470,011	508,613	2,025,558	520,964	1,035,417	729,766	1,259,911	1,837,995	7,717,158	5,191,351
Transfers out	(430,011)	(508,613)	(523,664)	(520,964)	(535,417)	(647,961)	(1,259,911)	(1,837,995)	(7,717,158)	(5,191,351)
Total other financing sources (uses)	<u>388,155</u>	<u>387,967</u>	<u>2,133,281</u>	<u>3,500,000</u>	<u>5,157,100</u>	<u>706,553</u>	<u>864,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 606,489</u>	<u>\$ (599,446)</u>	<u>\$ (311,816)</u>	<u>\$ 3,491,651</u>	<u>\$ 1,661,212</u>	<u>\$ 1,286,543</u>	<u>\$ (848,374)</u>	<u>\$ 3,951,597</u>	<u>\$ 11,692,451</u>	<u>\$ 11,227,792</u>
Debt service as a percentage of non-capital expenditures	5.44%	7.50%	7.52%	6.06%	6.30%	7.88%	18.40%	15.82%	14.84%	13.77%

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		Mobile Homes	Motor Vehicles	Industrial	Utility	Other Personal Property	Tax Exempt Property	Total		Ratio of Total Assessed to Total Estimated Actual Value	Total Direct Tax Rate
	Residential	Commercial							Assessed Value	Estimated Actual Value		
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
2022	594,425,446	174,509,499	227,528	3,359,060	28,416,010	7,480,338	38,600,745	49,594,580	896,613,206	2,241,533,015	40.00%	4.132
2023	716,025,405	196,431,504	227,528	3,424,730	38,598,169	7,688,093	77,836,146	49,243,220	1,089,474,795	2,723,686,988	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>
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
2022	4.132	16.575	7.377	-	28.084
2023	4.132	16.575	6.655	-	27.362

Source: Bryan County Tax Commissioner

* Includes School Bond millage

CITY OF RICHMOND HILL, GEORGIA

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Raydient Richmond Hill LLC	\$ 18,274,118	1	1.91%	\$ -	-	-
Caesarstone	15,949,882	2	1.67%	-	-	-
Belfast XG LLC	14,078,926	3	1.47%	-	-	-
L W Richmond Hill Investco	14,010,560	4	1.47%	-	-	-
Raydient LLC	11,270,067	5	1.18%	-	-	-
Equipmentsshare.com	9,355,990	6	0.98%	-	-	-
Ashton Apartments LLC	7,659,760	7	0.80%	3,239,360	3	0.65%
Belfast Commerce Centre LLC	7,635,040	8	0.80%	-	-	-
The Commons LLC	6,541,056	9	0.68%	-	-	-
Buckeye (Flats) Spec LLC	5,707,080	10	0.60%	-	-	-
Georgia Power Company	-	-	-	2,358,294	5	0.47%
The Ford Plantation Club Inc	-	-	-	4,694,368	1	0.94%
Hobart Corporation	-	-	-	4,205,781	2	0.84%
NAP Richmond Hill LLC	-	-	-	3,073,000	4	0.62%
Kroger The Co	-	-	-	2,212,000	6	0.44%
Crossroads Center LLC	-	-	-	2,003,920	7	0.40%
Love's Travel Stops & Country	-	-	-	1,909,280	8	0.38%
Bryan Bank & Trust	-	-	-	1,795,552	9	0.36%
Levy Robert M As Trustee	-	-	-	1,568,004	10	0.31%
Total	\$ 110,482,479		11.56%	\$ 27,059,559		5.41%

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
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%	56,896	2,547,586	98.16%
2021	2,776,514	2,711,843	97.67%	65,204	2,777,047	100.02%
2022	3,250,630	3,150,761	96.93%	61,778	3,212,539	98.83%
2023	3,936,774	3,550,201	90.18%	-	3,550,201	90.18%

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.

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)
	2014	\$ 12.50	\$ 1.90	\$ 2.10	\$ 2.50	\$ 3.40	\$ 12.50	\$ 1.90	\$ 2.10	\$ 2.50
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
2022	20.50	3.20	3.40	3.80	4.70	20.50	3.20	3.40	3.80	4.70
2023	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
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
2022	23.50	2.80	23.50	2.80	20.50	4.70
2023	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)
	Financed Purchases	Contractual Obligations	Note Payable	Financed Purchases	GEFA Loans	Revenue Bonds			
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	9.70%	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
2022	982,398	4,603,377	366,010	91,396	26,674,965	971,455	33,689,601	6.11%	1,919
2023	683,029	2,790,264	308,433	59,705	25,059,433	751,847	29,652,711	4.93%	1,639

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, 2023**

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^(a)</u>	<u>Estimated Share of Overlapping Debt</u>
City of Richmond Hill			
Note payable	\$ 308,433	100.00%	\$ 308,433
Contractual obligations:			
Richmond Hill Public Facilities Authority Revenue Bond, Series 2017	2,245,073	100.00%	2,245,073
Richmond Hill CVB Authority Refunding Revenue Bond, Series 2013	545,191	100.00%	545,191
Financed purchases	<u>683,029</u>	100.00%	<u>683,029</u>
Total Direct Debt	<u>3,781,726</u>		<u>3,781,726</u>
Bryan County, Georgia			
Notes payable	435,458	40.44%	176,099
Bonds payable	15,178,000	40.44%	6,137,983
Financed purchases	25,312,945	40.44%	10,236,555
Bryan County School Board			
General Government Series 2018	71,800,000	40.44%	29,035,920
General Government Series 2021	18,870,000	40.44%	7,631,028
General Government Series 2022	13,700,000	40.44%	5,540,280
Financed Purchases	623,766	40.44%	<u>252,251</u>
Overlapping debt			<u>59,010,116</u>
Total direct and overlapping debt			<u>\$ 62,791,842</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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total assessed value of taxable property	\$ 501,440,319	\$ 497,432,637	\$ 554,691,164	\$ 573,653,319	\$ 576,717,618	\$ 622,290,657	\$ 676,788,898	\$ 734,808,038	\$ 847,018,626	\$ 1,040,231,575
Less exemptions for bond purposes	15,426,502	17,357,920	20,998,729	24,075,787	28,150,174	33,617,757	39,167,710	51,758,383	56,735,605	83,826,674
Net assessed value for bond purposes	<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>	<u>\$ 790,283,021</u>	<u>\$ 956,404,901</u>
Debt limit percentage	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Debt limit	\$ 48,601,382	\$ 48,007,472	\$ 53,369,244	\$ 54,957,753	\$ 54,856,744	\$ 58,867,290	\$ 63,762,119	\$ 68,304,966	\$ 79,028,302	\$ 95,640,490
Total net debt applicable to limit: General obligation bonds (net of set aside)	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<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>	<u>\$ 79,028,302</u>	<u>\$ 95,640,490</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	
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	(4,840,031)	2,817,847	1,540,078	507,628	1.38
2022	7,921,844	(4,898,341)	3,023,503	1,707,673	467,986	1.39
2023	8,133,762	(5,431,730)	2,702,032	1,835,140	447,010	1.18

^(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

Year	Population*	Personal Income ⁽¹⁾	Per Capita Personal Income ⁽¹⁾	Median Age ⁽¹⁾	Unemployment Rate ⁽²⁾
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%
2022	17,556	550,959,948	31,383	32.8	2.6%
2023	18,091	601,362,931	33,241	32.2	3.1%

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>2023</u>			<u>2014 *</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	483	1	7.23%	-	-	-
FedEx	260	2	3.89%	-	-	-
Publix	202	3	3.02%	-	-	-
Ford Field & River Club	180	4	2.69%	-	-	-
Mac1Jon	175	5	2.62%	-	-	-
Kroger	167	6	2.50%	-	-	-
Hyundai MOBIS	150	7	2.24%	-	-	-
City of Richmond Hill	105	8	1.57%	-	-	-
Medline	100	9	1.50%	-	-	-
Sommer's Oil	75	10	1.12%	-	-	-
Total	<u>1,897</u>		<u>28.38%</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 2014.

CITY OF RICHMOND HILL, GEORGIA

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

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government	17	16	17	17	15	15	13	13	10	10
Judiciary	2	2	2	3	2	4	4	4	4	4
Public safety	47	47	53	53	65	67	70	72	80	80
Culture and recreation	5	4	4	6	6	6	5	6	5	1
Housing and development	8	8	7	7	7	7	7	7	7	7
Water and sewer services	2	3	4	4	5	4	4	4	4	4
Total	81	80	87	90	100	103	103	106	110	106

Source: City Personnel Records

CITY OF RICHMOND HILL, GEORGIA

OPERATING INDICATORS BY FUNCTION LAST TEN CALENDAR YEARS

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police:										
Arrests	n/a	n/a	n/a	n/a	748	822	646	723	726	845
Accidents	n/a	n/a	n/a	n/a	822	806	696	828	827	838
Investigations	n/a	n/a	n/a	n/a	8,873	15,496	15,641	15,636	17,408	16,355
Fire:										
Number of calls	n/a	931	1,341	1,441	1,370	1,528	2,157	2,530	2,525	2,780
Fire calls	n/a	32	49	59	65	41	45	46	49	45
Non-Fire calls	n/a	899	1,292	1,382	1,305	1,487	2,112	2,484	2,476	2,735
Public works:										
Streets (miles)	53.08	54.43	55.03	56.19	56.19	58.57	61.89	82.53	95.03	95.32
Canals (miles)	11.13	11.13	11.13	11.13	11.13	11.13	11.13	11.13	11.13	11.13
Stormwater drainage (miles)	39.07	39.07	39.07	39.07	39.47	42.28	43.18	61.49	64.40	65.46
Water:										
Average daily consumption (millions of gallons)	1.239	1.272	1.380	1.378	1.371	1.588	1.892	2.030	2.150	1.860
Sewer:										
Average daily sewage treatment (millions of gallons)	n/a	1.554	1.465	1.312	1.319	1.426	1.598	1.540	1.530	1.720
Public Development:										
Building permits for all categories - commercial and residential	n/a	n/a	n/a	n/a	n/a	831	792	897	651	1,453

Sources: City records

n/a - This information is not available.

CITY OF RICHMOND HILL, GEORGIA

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Fire stations	2	2	2	2	2	2	2	3	3	3
Public works:										
Streets (miles)	53.08	54.43	55.03	56.19	56.19	58.57	61.89	82.53	95.03	95.32
Canals (miles)	11.13	11.13	11.13	11.13	11.13	11.13	11.13	11.13	11.13	11.13
Stormwater drainage (miles)	39.07	39.07	39.07	39.07	39.47	42.28	43.18	61.49	64.40	65.46
Parks and recreation:										
Parks	4	4	4	4	4	4	4	5	5	6
Water:										
Water mains (miles)	103.50	101.06	72.76	87.82	93.43	95.82	98.74	107.83	121.85	121.85
Wells	3	4	4	4	4	4	4	4	4	4
Wastewater:										
Sanitary sewers (miles)	93.11	101.67	101.67	121.62	122.19	127.46	130.58	141.21	141.58	141.58
Maximum daily treatment capacity (millions of gallons)	1.50	1.50	3.00	3.00	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)	
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
2022	2.151	3.877	3.000	1.53	7,925
2023	1.864	3.329	3.000	1.717	8,053

Sources: City records

n/a - This information is not available.

COMPLIANCE SECTION





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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Richmond Hill, Georgia (the "City") as of and for the year ended December 31, 2023, 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 26, 2024.

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 over financial reporting 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 over financial reporting 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.

Mauldin & Jenkins, LLC

Savannah, Georgia
June 26, 2024

CITY OF RICHMOND HILL, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP.

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

Yes No

Significant deficiencies identified not considered to be material weaknesses?

Yes None Reported

Noncompliance material to financial statements noted?

Yes No

Federal Awards

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

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION III
FEDERAL AWARD FINDINGS AND RESPONSES

None reported.

SECTION IV
STATUS OF PRIOR YEAR FINDINGS

None reported.