

**CITY OF RICHMOND HILL,
GEORGIA**

*Annual Comprehensive
Financial Report*

Year Ended December 31, 2024



RICHMOND HILL
G E O R G I A

ANNUAL COMPREHENSIVE FINANCIAL REPORT

CITY OF RICHMOND HILL, GEORGIA
FOR THE YEAR ENDED DECEMBER 31, 2024



PREPARED BY
DEPARTMENT OF FINANCE
40 RICHARD DAVIS DRIVE, RICHMOND HILL, GEORGIA 31324
SEPTEMBER 16, 2025

CITY OF RICHMOND HILL, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2024

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INTRODUCTORY SECTION



September 16, 2025

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, 2024. 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, 2024. 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 Richmond Hill goes back to the earliest days of the Georgia colony when, in 1733, General James Oglethorpe built Fort Argyle near the confluence of the Ogeechee and Canoochee Rivers to protect the western approaches to Savannah. The availability of highly cultivable agricultural bottom land along the Ogeechee River led to rapid settlement in lower St. Philip Parish (Bryan Neck) through the issuance of crown land grants prior to the Revolution. In 1793, Bryan County was created from Chatham and Effingham Counties, being named in honor of colonial planter and Revolutionary patriot Jonathan Bryan (1708-1788).

In 1856, the Savannah, Albany & 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 utility; recreational and cultural services; planning and zoning; code compliance; and construction and maintenance of highways, streets and infrastructure. State law empowers the City to levy a property tax on real and personal property as well as receive a portion of sales tax revenue for operating and capital purposes. These are the two main funding sources of the City.

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

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

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

Local Economy

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

The City of Richmond Hill and surrounding areas ("SMA") enjoy a diversified local economic base. This economic base includes: (i) major manufacturers of counter tops, jet aircraft, paper products and chemicals, (ii) two large military installations, (iii) three acute care hospitals and 18 nursing care facilities, (iv) 18 institutions of higher learning, and (v) the nation's fourth largest urban landmark historic district. A major electric vehicle manufacturer began operations in 2024. Unemployment within the region has been relatively low when compared to the national and state levels. For December 2024, unemployment in Richmond Hill was 3.0% compared to 4.1% nationally and 3.7% for the State of Georgia as a whole.

Overall, five industry groups account for over half of the jobs in Richmond Hill: health care and social assistance (15%), education services (10%) accommodation and food services (8%), 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, Richmond Hill's tax base has been strong and increased due to growth in property values at an average of 12.3% each of the past five years. The 2025 digest values increased only 8.04% which is below the average. Richmond Hill has historically levied a low property tax rate. For 2024, 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 fourth quarter declines will likely continue in early 2025.

Long-term Financial Planning

As of December 31, 2024, unassigned fund balance in the general fund (72.1% of total budgeted general fund expenditures, transfers out and special item) is prudent due to the City's location on Georgia's coast and risk of a natural disaster. Also, having approximately 8.7 months of expenditures in reserve will soften any economic downturn since a majority of the major revenue sources of the City are directly impacted by the local economy. The City does plan to use the General Fund reserves in 2025 to fund the settlement of litigation regarding the fire fee.

The adopted 2025 budget assumed a 5% growth in the total taxable value of property in the City and tentatively set a 2025 property tax of 4.132 mills, the same as the final millage rate for 2024 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 \$59.6 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 2025, the plan funded \$20 million new projects: \$10 million from capital project funds (SPLOST, SPLOST 2024-2030 and TSPLOST 2023-2028), and \$10 million from water and sewer 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.

The City has entered into an intergovernmental agreement with Bryan County regarding the widening of Belfast Keller Road. The funding for this project will be from the TSPLOST 2023-2028 fund and is estimated to cost approximately \$16 million.

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. In 2025, the City began construction of an elevated water tank and replacement of an existing regional lift station. The new lift station is on schedule to be completed by the end of 2025. The City is also exploring options regarding Miocene wells and water treatment plant in order to meet the water needs of the citizens of Richmond Hill.

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, 2023. This was the fourth 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,



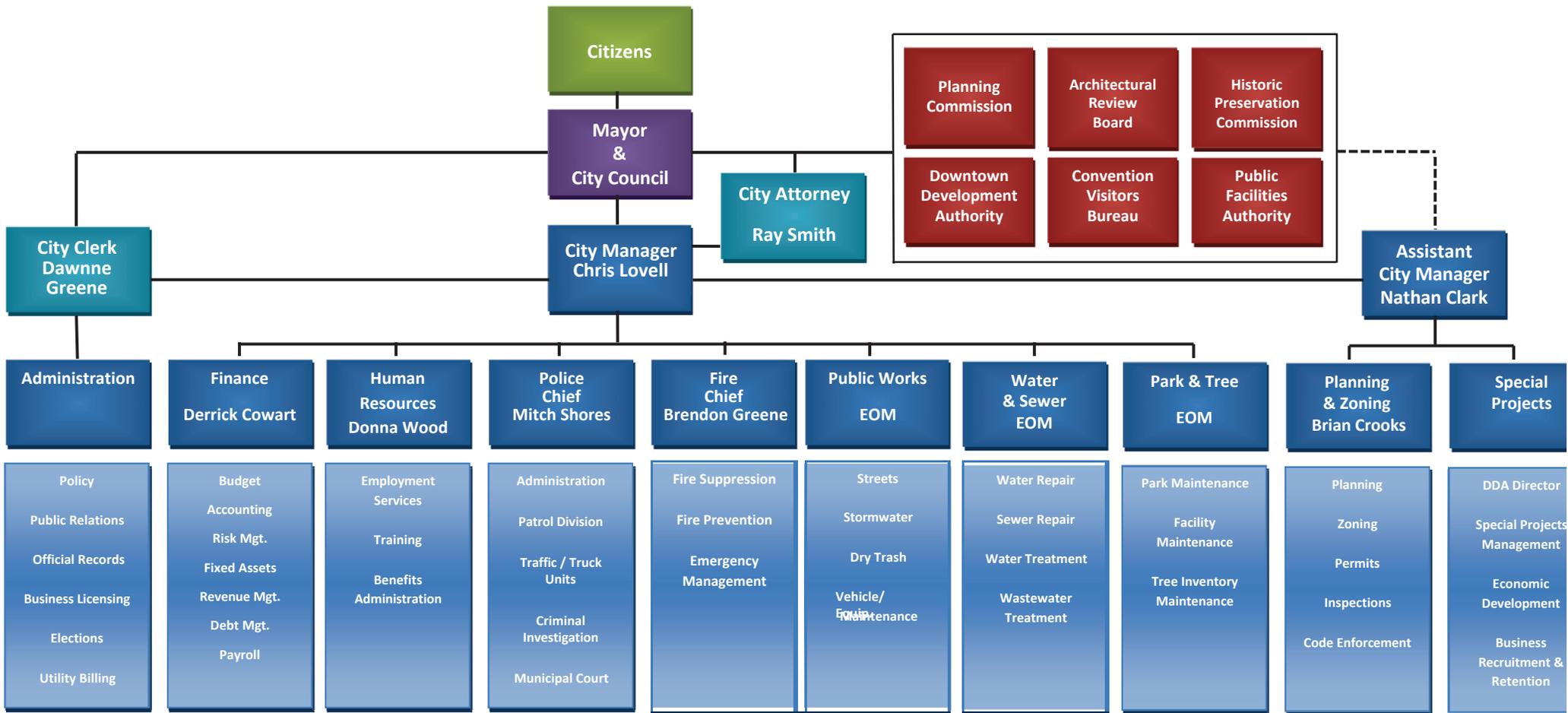
Chris Lovell, City Manager



Derrick Cowart, Finance Director

CITY OF RICHMOND HILL, GEORGIA

ORGANIZATIONAL CHART BY DEPARTMENT/FUNCTION DECEMBER 31, 2024



LEGEND



RICHMOND HILL
G E O R G I A

Effective May 6, 202

CITY OF RICHMOND HILL, GEORIGIA

LIST OF PRINCIPAL OFFICIALS DECEMBER 31, 2024

Principal City Officials

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

Russ Carpenter
Kristi Cox
Robbie Ward
Van Hunter
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
Brian Crooks



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, 2023

Christopher P. Morrill

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, 2024, 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, 2024, 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 Department 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 65 – 68) 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 Schedules 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, and the Schedule of Expenditures of Federal Awards as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), 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 Balance Sheet and Statement of Revenues, Expenses and Changes in Fund Balance for the discretely presented component unit, the Schedules of Expenditures of Special Purpose Local Option Sales Tax Proceeds, the Schedules of Transportation Special Purpose Local Option Sales Tax Proceeds, and the Schedule of Expenditure of Federal Awards 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 September 16, 2025, 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
September 16, 2025

CITY OF RICHMOND HILL, GEORGIA
MANAGEMENT’S DISCUSSION & ANALYSIS
DECEMBER 31,2024

INTRODUCTION

Our discussion and analysis of the financial performance of the City of Richmond Hill (the “City”) provides an overview of the City’s financial activities for the calendar year ended December 31, 2024. The intent of this Management’s Discussion and Analysis (“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, 2024 by \$146,438,859 (net position). Of this amount, \$37,996,111 (unrestricted net position) may be used to meet the City’s ongoing obligations to citizens and creditors. This is a decrease of \$5,391,326 from 2023. The Convention and Visitor’s Bureau (“CVB”) component unit has a balance of \$329,352 in net position, which is restricted for tourism-related expenses.
- The City’s total net position increased \$17,064,438 from the previous year with a \$6,480,699 increase resulting from governmental activities, and a \$10,583,739 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 from the collection of Special Purpose Local Option Sales Tax (“SPLOST”) and Transportation Special Purpose Local Option Sales Tax (“TSPLOST”) future projects. Also, City departments expended less than budgeted amounts.
 - 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 \$30,168,913 at year-end, an increase of \$259,794 from the previous calendar year. The increase was due to the settlement of litigation against the City.

MANAGEMENT'S DISCUSSION & ANALYSIS

Fund Financial Statements

- At December 31, 2024, the City's governmental funds Balance Sheet reports combined ending fund balances of \$43,363,162, an increase of \$6,143,412 from the previous calendar year.
- The General Fund reported an unassigned fund balance of \$14,041,852, an increase of \$202,780.
- The SPLOST VII capital projects fund had a fund balance of \$6.3 million, a decrease of \$1.1 million from a year ago. Collections of the SPLOST for this fund ended during 2024. Continued expenditures on projects previously budgeted resulted in a decrease in fund balance as expected.
- The SPLOST VIII capital projects fund collections began in 2024. Budgeted projects did not begin until sufficient funds were collected in order to have an adequate cash flow. This has resulted in a fund balance of \$3.5 million.
- The TSPLOST 2023-2028 capital projects fund had a fund balance of \$7.8 million. Funds are maintained in this fund in order to fund the Belfast Keller Road project with Bryan County.
- Capital Improvements capital projects fund reported a fund balance of \$6.8 million, a decrease of \$.6 million from the prior year. The majority of the revenues were from transfers from the General Fund.
- The Nonmajor Governmental Funds ended the year with a fund balance of \$4.6 million. These funds include the Confiscated Assets Fund, the Hotel/Motel Tax Fund, the City Center Fund, the Downtown Development Authority Fund and the TSPLOST 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.

MANAGEMENT'S DISCUSSION & ANALYSIS

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).

Governmental activities reported in the statements include general government, judiciary, public safety, public works, culture and recreation, and 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.

MANAGEMENT'S DISCUSSION & ANALYSIS

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 – 64 of the report.

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 Department Fund on pages 25 and 26. Individual schedules, which present a more detailed view of nonmajor funds used in governmental funds, begin on page 69. 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, 2024. 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 \$146.4 million at December 31, 2024.

MANAGEMENT'S DISCUSSION & ANALYSIS

The following table presents a summary of the City's net position at December 31, 2024:

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current assets	\$ 48,789,101	\$ 40,005,700	\$ 27,982,651	\$ 26,395,255	\$ 76,771,752	\$ 66,400,955
Non-current assets	-	-	8,572,398	4,731,147	8,572,398	4,731,147
Capital assets, net	<u>34,528,027</u>	<u>32,694,134</u>	<u>63,836,850</u>	<u>59,239,329</u>	<u>98,364,877</u>	<u>91,933,463</u>
Total assets	<u>83,317,128</u>	<u>72,699,834</u>	<u>100,391,899</u>	<u>90,365,731</u>	<u>183,709,027</u>	<u>163,065,565</u>
Deferred outflows of resources - pensions	<u>1,919,456</u>	<u>2,403,730</u>	<u>133,535</u>	<u>167,342</u>	<u>2,052,991</u>	<u>2,571,072</u>
Current liabilities	3,872,464	2,367,941	1,737,940	437,209	5,610,404	2,805,150
Non-current liabilities	<u>8,860,555</u>	<u>6,982,922</u>	<u>24,184,740</u>	<u>26,097,526</u>	<u>33,045,295</u>	<u>33,080,448</u>
Total liabilities	<u>12,733,019</u>	<u>9,350,863</u>	<u>25,922,680</u>	<u>26,534,735</u>	<u>38,655,699</u>	<u>35,885,598</u>
Deferred inflows of resources:						
Pension	338,120	41,933	35,131	14,454	373,251	56,387
Leases	<u>294,209</u>	<u>320,231</u>	<u>-</u>	<u>-</u>	<u>294,209</u>	<u>320,231</u>
Total deferred inflows of resources	<u>632,329</u>	<u>362,164</u>	<u>35,131</u>	<u>14,454</u>	<u>667,460</u>	<u>376,618</u>
Net position:						
Net investment in capital assets	31,669,012	28,912,408	38,388,365	33,293,473	70,057,377	62,205,881
Restricted for:						
Capital projects	21,736,771	14,605,626	15,945,748	7,972,576	37,682,519	22,578,202
Other purposes	702,852	1,202,901	-	-	702,852	1,202,901
Unrestricted	<u>17,762,601</u>	<u>20,669,602</u>	<u>20,233,510</u>	<u>22,717,835</u>	<u>37,996,111</u>	<u>43,387,437</u>
Total net position	<u>\$ 71,871,236</u>	<u>\$ 65,390,537</u>	<u>\$ 74,567,623</u>	<u>\$ 63,983,884</u>	<u>\$ 146,438,859</u>	<u>\$ 129,374,421</u>

The largest portion of the City's net position (47.8%) 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 or 26.2% represents resources that are subject to external restrictions on how they may be used. The remaining 26.0% 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 & ANALYSIS

Changes in Net Position

The following table presents a summary of the changes in net position for the calendar year ended December 31, 2024:

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues:						
Charges for services	\$ 4,561,758	\$ 5,279,214	\$ 9,178,381	\$ 8,653,317	\$ 13,740,139	\$ 13,932,531
Operating grants and contributions	913,119	449,425	363,235	-	1,276,354	449,425
Capital grants and contributions	11,400,209	10,592,647	7,284,223	3,628,874	18,684,432	14,221,521
General revenues:						
Property taxes	5,352,554	4,741,079	-	-	5,352,554	4,741,079
Sales taxes	5,294,380	4,997,128	-	-	5,294,380	4,997,128
Other taxes	5,648,773	4,951,803	-	-	5,648,773	4,951,803
Unrestricted investment earnings	647,238	552,471	1,285,826	879,975	1,933,064	1,432,446
Miscellaneous	176,121	207,079	57,885	242,027	234,006	449,106
Insurance reimbursement	-	-	57,762	-	57,762	-
Total revenues	33,994,152	31,770,846	18,227,312	13,404,193	52,221,464	45,175,039
Expenses						
General government	2,263,349	2,139,526	-	-	2,263,349	2,139,526
Judiciary	185,447	170,898	-	-	185,447	170,898
Public safety	10,930,591	8,959,134	-	-	10,930,591	8,959,134
Public works	3,571,320	3,385,468	-	-	3,571,320	3,385,468
Culture and recreation	1,206,859	847,080	-	-	1,206,859	847,080
Housing and development	2,254,787	1,610,740	-	-	2,254,787	1,610,740
Interest on long-term debt	86,699	153,935	-	-	86,699	153,935
Water and sewer	-	-	8,724,760	7,666,086	8,724,760	7,666,086
Stormwater	-	-	933,214	721,949	933,214	721,949
Total expenses	20,499,052	17,266,781	9,657,974	8,388,035	30,157,026	25,654,816
Excess	13,495,100	14,504,065	8,569,338	5,016,158	22,064,438	19,520,223
Transfers	(2,014,401)	(351,198)	2,014,401	351,198	-	-
Special item	(5,000,000)	-	-	-	(5,000,000)	-
Change in net position	6,480,699	14,152,867	10,583,739	5,367,356	17,064,438	19,520,223
Net position - beginning	65,390,537	51,237,670	63,983,884	58,616,528	129,374,421	109,854,198
Net position - ending	\$ 71,871,236	\$ 65,390,537	\$ 74,567,623	\$ 63,983,884	\$ 146,438,859	\$ 129,374,421

Governmental activities

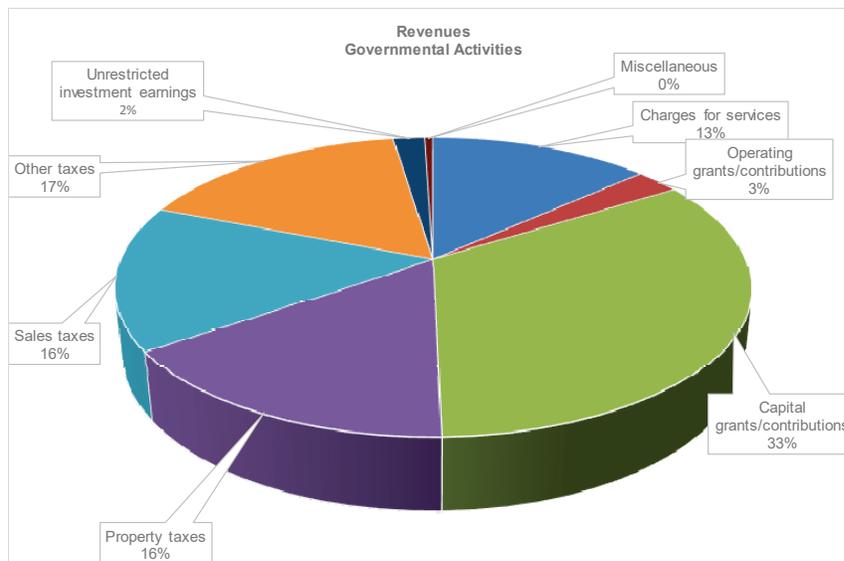
The City's governmental activities revenues increased \$2.2 million from 2023. The significant changes in revenues are as follows:

- Property taxes reflected an overall \$611 thousand increase. Real and personal property tax accounted for \$582 thousand of the increase. The City's millage rate remained the same as the previous year; however, the property values increased 20% due to an increase in assessments and new construction which resulted in an increase in property tax.

MANAGEMENT'S DISCUSSION & ANALYSIS

- Sales tax increased by \$.297 million (6%) from the prior year. The increase is partially attributable to the high inflation rate during 2023 and 2024 as well as strong sales in the City.
- Charges for services decreased \$.7 million. The factor that contributed to this decrease was from the collection of fees associated with a mixed use commercial development project in the amount of \$.5 million in 2023. Fines and forfeitures also decreased \$.4 million.
- Other taxes increased \$.7 million. This increase is spread over several revenue sources such as electric franchise fee, business occupation tax and insurance premium tax.
- Capital grants and contributions increased \$.8 million primarily from the service delivery agreement settlement where the City would receive an additional \$3.5 million in SPLOST or TSPLOST funds over a seven year period as agreed upon projects are completed.

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 category for the City's governmental activities.



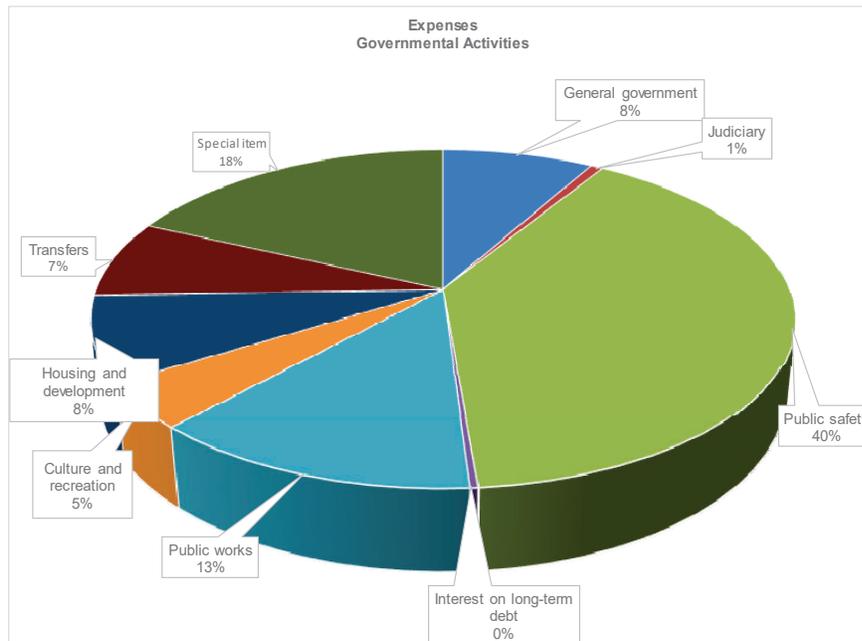
The City's expenses cover a broad range of services. The largest expenses were for public safety and public works. The overall increase in the governmental activities expenses for the year totaled \$3.2 million, or an 18.7% increase. This increase can be attributed to the following:

- Public safety reflects an increase of \$1.9 million. The increase from 2023 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 \$838 thousand. Salaries were increased during the last quarter of 2023 by the implementation of a compensation study which significantly increased public safety salaries. 2024 had the full impact of this study plus the annual cost of living and step increases. Repairs and maintenance costs increased significantly due to an aging fleet. The most significant increase for 2024 related to the two storms (Tropical storm Debby and Hurricane Helene) that impacted the City. The cost for these storms totaled \$730 thousand.

MANAGEMENT’S DISCUSSION & ANALYSIS

- Culture and recreation increase was due to the cost of maintaining and removal of trees from City property that may cause a public safety concern. Also, depreciation charges to this function increased significantly for 2024.
- Housing and development function increased for one-time repairs to the Richmond Hill City Center in the amount of \$487 thousand. The City took over the operations of the City Center during 2024.

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



Business-type activities

The City’s business-type activities revenues increased approximately \$4.8 million from 2023 to 2024. The change is attributable to the following:

- Charges for services had an increase of \$525 thousand (6.1%) from the prior year. Fluctuations in water consumption, which is dependent on rainfall, is expected. Council approved a small increase in the base charge of \$.50 for both water and sewer and a \$.30 per 1000 gallons volume charge.
- Capital grants and contributions had a significant increase of approximately \$3.7 million. In 2024, Bryan County agreed to pay the City over 18 quarters \$4.05 million connection fee plus 5% interest for increased usage of the City’s wastewater system per an amendment to the sewer service agreement.

MANAGEMENT'S DISCUSSION & ANALYSIS

The overall increase in the business-type activities expenses for the year totaled \$1.2 million, or a 15.4% increase.

- The stormwater activity expenses had an increase of \$211 thousand, or 29.3%. The tropical systems that impacted the City resulted in \$104 thousand in unexpected expenses. Repairs and maintenance costs to the drainage systems increased significantly during 2024.
- The water and sewer activity expenses increased \$1.06 million, or 13.8%. This increase was due to the following factors: (a) costs associated with tropical systems in the amount of \$313 thousand; (b) repairs and maintenance and supplies (meters) increased significantly in the water distribution cost center by approximately \$400 thousand. The sewer system also showed an increase in repairs and maintenance of approximately \$127 thousand. Several water and sewer line repair projects began during 2024 to address aging infrastructure for portions of the City.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

Governmental funds provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of fiscal year 2024. The governmental fund types include the General Fund, special revenues, and capital projects. The General, Fire, Capital Improvements, SPLOST VII, SPLOST VIII 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, 2024, the unassigned fund balance in the General Fund was \$14,041,852, an increase of \$202,780 from 2023. The General Fund's total fund balance was \$14,204,350. The General Fund's fund balance is strong, with funds available to support approximately 8.6 months of operating expenses. This is slightly below the nine to ten months policy of the City. As of December 31, 2024, the City's governmental funds reported combined fund balances of \$43,363,162. The restricted fund balance totals \$22,439,623 and represents funds set aside primarily for capital projects. The assigned fund balance amount of \$6,892,232 is for capital related expenditures.

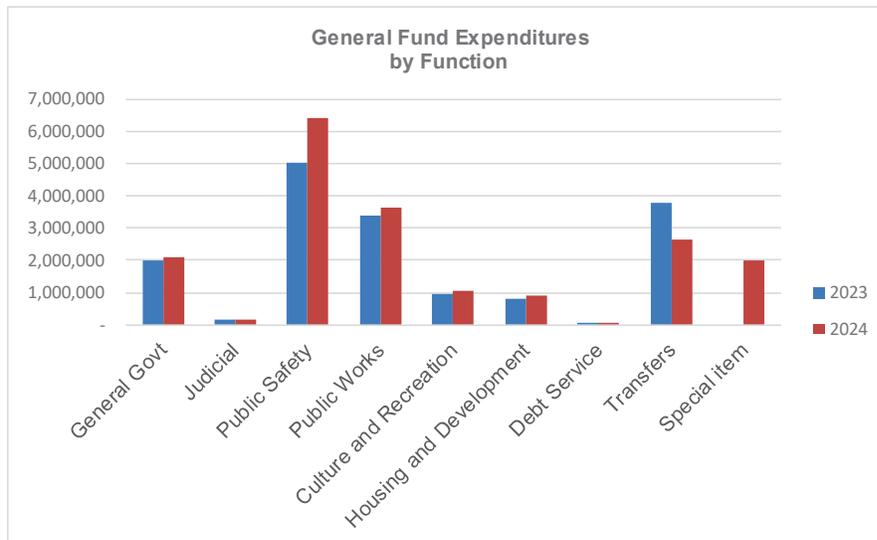
MANAGEMENT’S DISCUSSION & ANALYSIS

Key factors affecting changes in major funds and fund balance in fiscal year 2024 operations are as follows:

General Fund:

- General Fund revenues increased \$645 thousand. The overall revenue increase is attributable to increases in taxes. Taxes accounted for \$1.3 million of this increase. As discussed previously, real and personal property taxes increased by \$581 thousand due to a 19% increase in property values and new growth. There was a \$.3 million increase in Local Option Sales Tax (“LOST”) from the prior year. However, there were some revenue sources that registered a decrease from the previous year. Licenses and permits registered a decrease of \$.6 million. In 2023, a large development obtained the required building permits which resulted in higher than normal revenues for that fiscal year. Fines and forfeitures had a significant decrease in the amount of \$.3 million.
- General Fund expenditures and transfers out increased \$.7 million from the prior year. The current and debt service expenditures increased \$1.8 million. Most of this is attributable to increases in salaries and benefits. The City provided a 2% cost of living increase and step increase during 2024. 2024 was also the first full year of the compensation study implementation. The City did experience two tropical systems that resulted in \$.7 million in unexpected expenditures during 2024. Transfers out decreased \$1.1 million. The City reduced the funding levels of the capital improvements fund during 2024. The most consequential expenditure recognized in 2024 was the settlement of litigation regarding the fire fee charged for fire services. The total settlement is \$5 million with the current portion of the settlement in the amount of \$2 million recognized in 2024. General Fund reserves will be used to fund the settlement, and a plan will be developed in 2026 to recoup the refunds and generate sufficient revenues in the future to fund the fire department.

The following chart compares 2023 to 2024 expenditures by function.



MANAGEMENT'S DISCUSSION & ANALYSIS

Fire Department Fund:

- Fire Department Fund revenues decreased \$49 thousand from the prior year. The fire fee remained stable from the prior year. Operating transfers from the General Fund increased \$481 thousand due to the increased cost of operating the department. As explained above, 2024 was the first complete year of the compensation study implementation which resulted in additional funding from the General Fund to cover the additional costs.
- Fire Department Fund expenditures increased \$389 thousand. The increase in salaries and benefit costs accounted for most of this increase. As previously noted, 2024 was the first complete year of the implementation of the compensation study. Capital outlays did decrease by \$100 thousand.

Capital Improvements Fund:

- Revenues remained stable from the prior year. Transfers in did decrease significantly in 2024. Since a majority of this fund's revenues are transfers from the General Fund, fluctuations are expected based on the availability of funds.
- Expenditures in the capital improvements fund increased \$1.1 million. Expenditures will fluctuate based on projects that are ongoing during the year. The replacement of lift station 19 was begun in 2024 which accounted for most of this increase.

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 1% SPLOST is approved by the voters of Bryan County for a six year period. The SPLOST VII referendum ended after the first quarter of 2024. See SPLOST VIII fund below. The revenues decreased \$2.4 million over the prior year which was expected.
- Expenditures in this fund are expected to fluctuate year to year based on the planned projects for the current year. Expenditures increased in 2024 by \$1.4 million. Projects that contributed to increase in expenditures were in the areas of drainage, streets and water and sewer.

SPLOST VIII 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. In 2023, the voters of Bryan County approved a referendum to assess a 1% sales tax to fund projects for all functions of the City.
- Expenditures in this fund are expected to fluctuate year to year based on the planned projects for the current year. Since collections were not distributed until the beginning of June, the City only expended \$268 thousand for approved projects.

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 2024. The City is saving these funds for the Belfast Keller widening road project.

MANAGEMENT'S DISCUSSION & ANALYSIS

Proprietary Funds

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

Water and Sewer Fund:

- Total net position had a positive change in the amount of \$9.9 million in 2024. The total net position was \$68.0 million. 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 \$7.2 million.

Stormwater Fund:

- Total net position had a positive change in the amount of \$732 thousand in 2024. The total net position was \$6.5 million. The fund had a loss before contributions in the amount of \$168 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 71 – 74. Budget columns are provided for both the original budget adopted for calendar year 2024 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 \$1.5 million. The remaining revenue categories were in line with budgets. The total revenues and other financing sources recorded for this calendar year were \$18.2 million which exceeded the budget by \$1.4 million. As previously discussed, a majority of the excess revenues over budget is from real and personal property tax which arose from a 19% increase in assessments and completion of new construction within the City. LOST was another major increase of 6% due to increased sales by businesses within the county.
- Expenditures, debt service, transfers out and special item totaled \$18.9 million, which was more than the original budget by \$2.1 million. Most of the change was due to an amendment to fund the special item previously discussed.
- The net effect of the budget amendments for the General Fund expenditures resulted in an increase of \$3.7 million. Two significant changes were for the expenditures related to tropical systems that impacted the City and for the settlement of litigation in the amount of \$2 million.

MANAGEMENT'S DISCUSSION & 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, 2024, the City's capital assets for both governmental activities and business-type activities totaled \$98.4 million. Capital assets include assets purchased and donated, land, buildings, system improvements and machinery and equipment. Capital assets increased approximately \$6.4 million in 2024. This increase was primarily from increases in assets of the business-type activities. Significant changes were from two major projects (construction of a water tank and replacement of a major sewer lift station).

Additional information on the City's capital assets can be found in Note 6, on pages 48 and 49

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land and rights of way	\$ 5,023,584	\$ 5,023,584	\$ 1,100,329	\$ 1,100,329	\$ 6,123,913	\$ 6,123,913
Construction in progress	1,700,009	1,515,194	4,340,813	364,525	6,040,822	1,879,719
Buildings and improvements	12,930,968	12,183,403	124,464	124,464	13,055,432	12,307,867
Machinery and equipment	9,442,818	8,739,054	2,060,469	1,496,768	11,503,287	10,235,822
Plant and systems	-	-	76,953,491	74,808,679	76,953,491	74,808,679
Infrastructure	24,735,715	22,618,403	-	-	24,735,715	22,618,403
Less accumulated depreciation	(19,305,067)	(17,385,504)	(20,742,716)	(18,655,436)	(40,047,783)	(36,040,940)
Total	\$ 34,528,027	\$ 32,694,134	\$ 63,836,850	\$ 59,239,329	\$ 98,364,877	\$ 91,933,463

DEBT ADMINISTRATION

The long-term debt at December 31, 2024 totaled \$26.8 million. Of this amount, \$24.0 million relates to the business-type activities and \$2.8 million relates to the governmental activities.

Long-term debt of the business-type activities decreased in 2024 compared to 2023 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. Two new loans were entered into during the year for the Belfast water tank project and lift station replacement. Additional information on the City's debt can be found in Note 7 on pages 50 – 54.

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Bonds payable	\$ 2,178,556	\$ 2,790,264	\$ -	\$ -	\$ 2,178,556	\$ 2,790,264
Notes payable	248,811	308,433	-	-	248,811	308,433
Financed purchases	431,648	683,029	27,401	59,705	459,049	742,734
Refunding bonds	-	-	526,820	751,847	526,820	751,847
GEFA loans	-	-	23,417,295	25,059,433	23,417,295	25,059,433
Total	\$ 2,859,015	\$ 3,781,726	\$ 23,971,516	\$ 25,870,985	\$ 26,830,531	\$ 29,652,711

MANAGEMENT'S DISCUSSION & ANALYSIS

ECONOMIC FACTORS, NEXT YEAR'S BUDGETS AND RATES

The City continues to adopt conservative budgets in 2025 to address the challenges in a changing revenue environment. A modest growth is expected in 2025 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 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 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, 2024**

	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	\$ 41,053,736	\$ 18,993,162	\$ 60,046,898	\$ 302,469
Investments	1,611,546	-	1,611,546	-
Restricted cash	330,065	7,806,572	8,136,637	-
Receivables, net of allowance:				
Taxes	398,690	-	398,690	-
Accounts	1,377,544	1,182,917	2,560,461	-
Leases	294,209	-	294,209	-
Due from primary government	-	-	-	55,759
Due from other governments	3,670,856	-	3,670,856	-
Prepaid items	52,455	-	52,455	-
Notes receivable	-	8,572,398	8,572,398	-
Capital assets:				
Non-depreciable	6,723,593	5,441,142	12,164,735	-
Lease asset, net of accumulated amortization	-	-	-	277,189
Depreciable, net of accumulated depreciation	27,804,434	58,395,708	86,200,142	-
Total assets	<u>83,317,128</u>	<u>100,391,899</u>	<u>183,709,027</u>	<u>635,417</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension	1,919,456	133,535	2,052,991	23,016
Total deferred outflows of resources	<u>1,919,456</u>	<u>133,535</u>	<u>2,052,991</u>	<u>23,016</u>
Total assets and deferred outflows of resources	<u>\$ 85,236,584</u>	<u>\$ 100,525,434</u>	<u>\$ 185,762,018</u>	<u>\$ 658,433</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION				
LIABILITIES				
Accounts payable	\$ 3,158,602	\$ 1,705,167	\$ 4,863,769	\$ 15,738
Accrued liabilities	244,327	32,773	277,100	-
Due to component unit	55,759	-	55,759	-
Customer deposits	405,597	-	405,597	-
Accrued interest payable	8,179	-	8,179	-
Lease liability, due within one year	-	-	-	26,950
Lease liability, due in more than one year	-	-	-	267,259
Non-current liabilities				
Due within one year	798,156	1,941,931	2,740,087	-
Due in more than one year	2,371,629	22,057,197	24,428,826	-
Litigation payable - due in more than one year	3,000,000	-	3,000,000	-
Net pension liability - due in more than one year	2,690,770	185,612	2,876,382	32,001
Total liabilities	<u>12,733,019</u>	<u>25,922,680</u>	<u>38,655,699</u>	<u>341,948</u>
DEFERRED INFLOWS OF RESOURCES				
Pension	338,120	35,131	373,251	4,153
Leases	294,209	-	294,209	-
Total deferred inflows of resources	<u>632,329</u>	<u>35,131</u>	<u>667,460</u>	<u>4,153</u>
NET POSITION				
Net investment in capital assets	31,669,012	38,388,365	70,057,377	(17,020)
Restricted for:				
Public safety	214,626	-	214,626	-
Housing and development	488,226	-	488,226	329,352
Capital projects	21,736,771	15,945,748	37,682,519	-
Unrestricted	17,762,601	20,233,510	37,996,111	-
Total net position	<u>71,871,236</u>	<u>74,567,623</u>	<u>146,438,859</u>	<u>312,332</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 85,236,584</u>	<u>\$ 100,525,434</u>	<u>\$ 185,762,018</u>	<u>\$ 658,433</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, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Convention and Visitor's Bureau
Governmental activities:								
General government	\$ 2,263,349	\$ -	\$ -	\$ -	\$ (2,263,349)	\$ -	\$ (2,263,349)	\$ -
Judicial	185,447	-	-	-	(185,447)	-	(185,447)	-
Public safety	10,930,591	2,428,962	913,119	-	(7,588,510)	-	(7,588,510)	-
Public works	3,571,320	1,603,824	-	11,400,209	9,432,713	-	9,432,713	-
Culture and recreation	1,206,859	19,090	-	-	(1,187,769)	-	(1,187,769)	-
Housing and development	2,254,787	509,882	-	-	(1,744,905)	-	(1,744,905)	-
Interest and fees	86,699	-	-	-	(86,699)	-	(86,699)	-
Total governmental activities	<u>\$ 20,499,052</u>	<u>\$ 4,561,758</u>	<u>\$ 913,119</u>	<u>\$ 11,400,209</u>	<u>(3,623,966)</u>	<u>-</u>	<u>(3,623,966)</u>	<u>-</u>
Business-type activities:								
Water and sewer utilities	\$ 8,724,760	\$ 8,526,130	\$ 265,394	\$ 6,833,874	-	6,900,638	6,900,638	-
Stormwater utility	933,214	652,251	97,841	450,349	-	267,227	267,227	-
Total business-type activities	<u>\$ 9,657,974</u>	<u>\$ 9,178,381</u>	<u>\$ 363,235</u>	<u>\$ 7,284,223</u>	<u>-</u>	<u>7,167,865</u>	<u>7,167,865</u>	<u>-</u>
Component unit:								
Convention and Visitor's Bureau	<u>\$ 459,153</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(459,153)</u>
General revenue								
Taxes:								
Property taxes					5,352,554	-	5,352,554	-
Sales taxes					5,294,380	-	5,294,380	-
Other taxes					5,648,773	-	5,648,773	410,763
Unrestricted investment earnings					647,238	1,285,826	1,933,064	-
Miscellaneous revenues					176,121	57,885	234,006	823
Insurance reimbursement					-	57,762	57,762	-
Transfers					(2,014,401)	2,014,401	-	-
Special Item					(5,000,000)	-	(5,000,000)	-
Total general revenues, transfers, and special item					<u>10,104,665</u>	<u>3,415,874</u>	<u>13,520,539</u>	<u>411,586</u>
Change in net position					<u>6,480,699</u>	<u>10,583,739</u>	<u>17,064,438</u>	<u>(47,567)</u>
Net position, beginning of year					<u>65,390,537</u>	<u>63,983,884</u>	<u>129,374,421</u>	<u>359,899</u>
Net position, end of year					<u>\$ 71,871,236</u>	<u>\$ 74,567,623</u>	<u>\$ 146,438,859</u>	<u>\$ 312,332</u>

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

CITY OF RICHMOND HILL, GEORGIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

	General Fund	Fire Department Fund	Capital Improvements Fund	SPLOST VII Fund	SPLOST VIII Fund	TSPLOST 2023-2028 Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS								
Cash and cash equivalents	\$ 13,359,308	\$ 19,511	\$ 6,852,848	\$ 6,381,496	\$ 2,694,250	\$ 7,072,992	\$ 4,673,331	\$ 41,053,736
Investments	1,611,546	-	-	-	-	-	-	1,611,546
Receivables, net of allowance:								
Taxes	398,690	-	-	-	-	-	-	398,690
Accounts	1,195,957	86,443	-	-	-	-	95,144	1,377,544
Leases	294,209	-	-	-	-	-	-	294,209
Due from other governments	1,892,736	131,649	-	-	877,573	768,898	-	3,670,856
Due from other funds	40,769	-	-	-	-	-	55,779	96,548
Prepaid items	43,814	8,641	-	-	-	-	-	52,455
Restricted cash	330,065	-	-	-	-	-	-	330,065
Total assets	\$ 19,167,094	\$ 246,244	\$ 6,852,848	\$ 6,381,496	\$ 3,571,823	\$ 7,841,890	\$ 4,824,254	\$ 48,885,649
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
LIABILITIES								
Accounts payable	\$ 2,888,705	\$ 62,810	\$ 23,616	\$ 113,516	\$ 13,409	\$ -	\$ 56,546	\$ 3,158,602
Accrued salaries and related liabilities	154,709	85,545	-	-	-	-	4,073	244,327
Due to component unit	-	-	-	-	-	-	55,759	55,759
Due to other funds	-	-	-	-	-	-	96,548	96,548
Deposits payable from restricted assets	405,597	-	-	-	-	-	-	405,597
Total liabilities	3,449,011	148,355	23,616	113,516	13,409	-	212,926	3,960,833
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - property taxes	345,849	-	-	-	-	-	-	345,849
Leases	294,209	-	-	-	-	-	-	294,209
Unavailable revenue - grants	873,675	-	-	-	-	-	-	873,675
Unavailable revenue - fire fees	-	47,921	-	-	-	-	-	47,921
Total deferred inflows of resources	1,513,733	47,921	-	-	-	-	-	1,561,654
FUND BALANCES								
Nonspendable:								
Prepaid items	43,814	8,641	-	-	-	-	-	52,455
Restricted for:								
Public safety	118,684	41,327	-	-	-	-	54,615	214,626
Housing and development	-	-	-	-	-	-	488,226	488,226
Capital projects	-	-	-	6,267,980	3,558,414	7,841,890	4,068,487	21,736,771
Assigned:								
Capital projects	-	-	6,829,232	-	-	-	-	6,829,232
Unassigned	14,041,852	-	-	-	-	-	-	14,041,852
Total fund balances	14,204,350	49,968	6,829,232	6,267,980	3,558,414	7,841,890	4,611,328	43,363,162
Total liabilities, deferred inflows of resources and fund balances	\$ 19,167,094	\$ 246,244	\$ 6,852,848	\$ 6,381,496	\$ 3,571,823	\$ 7,841,890	\$ 4,824,254	\$ 48,885,649

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, 2024**

Total governmental fund balances	\$	43,363,162
<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	\$	53,833,094
Accumulated depreciation		<u>(19,305,067)</u>
		34,528,027
<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	\$	345,849
Unavailable revenue - grants		873,675
Unavailable revenue - fire fees		<u>47,921</u>
		1,267,445
<p>Deferred outflows of resources related to the recording of the net pension liability are recognized as expense over time and, therefore, are not reported in the funds.</p>		
		1,919,456
<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>		
		(338,120)
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.</p>		
Financed purchases	\$	(431,648)
Bonds payable		(2,178,556)
Notes payable		(248,811)
Net pension liability		(2,690,770)
Litigation payable		(3,000,000)
Compensated absences payable		(310,770)
Accrued interest payable		<u>(8,179)</u>
		<u>(8,868,734)</u>
Net position of governmental activities	\$	<u><u>71,871,236</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, 2024**

	General	Fire	Capital			TSPLOST	Nonmajor	Total
	Fund	Department	Improvements	SPLOST VII	SPLOST VIII	2023-2028	Governmental	Governmental
	Fund	Fund	Fund	Fund	Fund	Fund	Funds	Funds
Revenues								
Taxes	\$ 14,496,183	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,437,741	\$ 15,933,924
Licenses and permits	513,780	-	-	-	-	-	-	513,780
Intergovernmental revenues	39,444	-	-	2,092,741	3,794,351	4,446,807	-	10,373,343
Charges for services	1,688,272	1,519,937	-	-	-	-	80,051	3,288,260
Fines and forfeitures	840,086	-	-	-	-	-	3,581	843,667
Interest income	587,699	-	337,648	323,051	32,349	219,446	213,355	1,713,548
Miscellaneous	96,969	13,834	64,911	-	-	-	407	176,121
Total revenues	18,262,433	1,533,771	402,559	2,415,792	3,826,700	4,666,253	1,735,135	32,842,643
Expenditures								
Current:								
General government	2,076,257	-	-	-	-	-	-	2,076,257
Judicial	177,219	-	-	-	-	-	-	177,219
Public safety	6,435,203	3,613,271	-	-	-	-	-	10,048,474
Public works	3,628,119	-	-	-	-	-	-	3,628,119
Culture and recreation	1,037,149	-	-	-	-	-	-	1,037,149
Housing and development	888,789	-	-	-	-	-	1,533,071	2,421,860
Capital outlay	-	-	1,465,823	2,556,655	268,286	-	-	4,290,764
Debt service:								
Principal retirement	9,442	-	-	913,269	-	-	-	922,711
Interest	78	-	-	96,600	-	-	-	96,678
Total expenditures	14,252,256	3,613,271	1,465,823	3,566,524	268,286	-	1,533,071	24,699,231
Excess (deficiency) of revenues over (under) expenditures	4,010,177	(2,079,500)	(1,063,264)	(1,150,732)	3,558,414	4,666,253	202,064	8,143,412
Other Financing Sources (Uses)								
Transfers in	616,072	2,033,373	500,000	-	-	-	535,906	3,685,351
Transfers out	(2,658,373)	-	-	-	-	-	(1,026,978)	(3,685,351)
Total other financing sources (uses)	(2,042,301)	2,033,373	500,000	-	-	-	(491,072)	-
Special Item	(2,000,000)	-	-	-	-	-	-	(2,000,000)
Net change in fund balances	(32,124)	(46,127)	(563,264)	(1,150,732)	3,558,414	4,666,253	(289,008)	6,143,412
Fund balances, beginning of year	14,236,474	96,095	7,392,496	7,418,712	-	3,175,637	4,900,336	37,219,750
Fund balances, end of year	\$ 14,204,350	\$ 49,968	\$ 6,829,232	\$ 6,267,980	\$ 3,558,414	\$ 7,841,890	\$ 4,611,328	\$ 43,363,162

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, 2024**

Net change in fund balances - total governmental funds \$ 6,143,412

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	\$ 5,837,345	
Depreciation expense	<u>(1,988,334)</u>	3,849,011

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	\$ (717)	
Capital assets transferred to business-type activities	<u>(2,014,401)</u>	(2,015,118)

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, 2024	\$ 47,921	
Fire fees deferred at December 31, 2023	(31,587)	
Grants deferred at December 31, 2024	873,675	
Property taxes deferred at December 31, 2024	345,849	
Property taxes deferred at December 31, 2023	<u>(84,349)</u>	1,151,509

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	\$ 59,622	
Principal payments - bonds payable	611,708	
Principal payments - financed purchases	<u>251,381</u>	922,711

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	\$ (76,045)	
Litigation	(3,000,000)	
Net pension liability, net of pension related to deferred outflows and inflows of resources	(504,760)	
Accrued interest	<u>9,979</u>	(3,570,826)

Change in net position of governmental activities		<u>\$ 6,480,699</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, 2024**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 11,598,564	\$ 12,996,564	\$ 14,496,183	\$ 1,499,619
Licenses and permits	600,000	600,000	513,780	(86,220)
Intergovernmental revenues	-	-	39,444	39,444
Charges for services	1,547,111	1,653,111	1,688,272	35,161
Fines and forfeitures	1,019,610	1,019,610	840,086	(179,524)
Interest income	263,163	465,163	587,699	122,536
Miscellaneous	75,000	75,000	96,969	21,969
Total revenues	15,103,448	16,809,448	18,262,433	1,452,985
Expenditures				
Current:				
General government:				
City Council	145,127	144,627	104,203	40,424
General administration	1,146,856	1,252,218	1,251,084	1,134
Finance department	366,577	394,702	393,459	1,243
General government buildings	148,250	148,250	116,141	32,109
Human resources	190,792	212,020	211,370	650
Contingency	300,000	-	-	-
Judicial:				
Municipal Court	205,167	206,422	177,219	29,203
Public safety:				
Police department	5,806,943	5,925,853	5,704,297	221,556
Emergency services	-	731,334	730,906	428
Public works:				
Streets	1,827,234	2,029,489	2,005,139	24,350
Sanitation	1,638,670	1,674,670	1,622,980	51,690
Culture and recreation:				
Park	932,500	1,037,150	1,037,149	1
Housing and development:				
Planning and zoning	837,823	933,094	888,789	44,305
Debt service:				
Principal retirement	38,002	9,442	9,442	-
Interest	79	79	78	1
Total expenditures	13,584,020	14,699,350	14,252,256	447,094
Excess of revenues over expenditures	1,519,428	2,110,098	4,010,177	1,900,079
Other financing sources (uses)				
Transfers in	605,879	621,428	616,072	(5,356)
Transfers out	(2,125,307)	(2,753,373)	(2,658,373)	95,000
Total other financing uses, net	(1,519,428)	(2,131,945)	(2,042,301)	89,644
Special Item	-	(2,000,000)	(2,000,000)	-
Net change in fund balances	-	(2,021,847)	(32,124)	1,989,723
Fund balance, beginning of year	14,236,474	14,236,474	14,236,474	-
Fund balance, end of year	\$ 14,236,474	\$ 12,214,627	\$ 14,204,350	\$ 1,989,723

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, 2024**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 1,555,832	\$ 1,555,832	\$ 1,519,937	\$ (35,895)
Miscellaneous	-	-	13,834	13,834
Total revenues	<u>1,555,832</u>	<u>1,555,832</u>	<u>1,533,771</u>	<u>(22,061)</u>
Expenditures				
Current:				
Public safety	<u>3,534,580</u>	<u>3,730,869</u>	<u>3,613,271</u>	<u>117,598</u>
Total expenditures	<u>3,534,580</u>	<u>3,730,869</u>	<u>3,613,271</u>	<u>117,598</u>
Deficiency of revenues under expenditures	<u>(1,978,748)</u>	<u>(2,175,037)</u>	<u>(2,079,500)</u>	<u>95,537</u>
Other financing sources				
Transfers in	<u>1,978,748</u>	<u>2,128,373</u>	<u>2,033,373</u>	<u>(95,000)</u>
Total other financing sources	<u>1,978,748</u>	<u>2,128,373</u>	<u>2,033,373</u>	<u>(95,000)</u>
Net change in fund balances	-	(46,664)	(46,127)	537
Fund balance, beginning of year	<u>96,095</u>	<u>96,095</u>	<u>96,095</u>	<u>-</u>
Fund balance, end of year	<u>\$ 96,095</u>	<u>\$ 49,431</u>	<u>\$ 49,968</u>	<u>\$ 537</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, 2024**

ASSETS	Water and Sewer Fund	Stormwater Utility Fund	Total Enterprise Funds
CURRENT ASSETS			
Cash and cash equivalents	\$ 18,790,669	\$ 202,493	\$ 18,993,162
Accounts receivable, net of allowance	1,028,457	154,460	1,182,917
Note receivable, current portion	1,088,040	-	1,088,040
Restricted cash	7,806,572	-	7,806,572
Total current assets	<u>28,713,738</u>	<u>356,953</u>	<u>29,070,691</u>
NON-CURRENT ASSETS			
Long-term receivable	7,484,358	-	7,484,358
Capital assets:			
Non-depreciable	5,421,141	20,001	5,441,142
Depreciable, net of accumulated depreciation	52,214,163	6,181,545	58,395,708
Total non-current assets	<u>65,119,662</u>	<u>6,201,546</u>	<u>71,321,208</u>
Total assets	<u>93,833,400</u>	<u>6,558,499</u>	<u>100,391,899</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension	133,535	-	133,535
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	1,704,068	1,099	1,705,167
Accrued liabilities	32,773	-	32,773
Current portion of compensated absences	14,634	-	14,634
Current portion of notes payable	1,669,317	-	1,669,317
Current portion of financed purchases	-	27,401	27,401
Current portion of bonds payable	230,579	-	230,579
Total current liabilities	<u>3,651,371</u>	<u>28,500</u>	<u>3,679,871</u>
NON-CURRENT LIABILITIES			
Compensated absences	12,978	-	12,978
Notes payable	21,747,978	-	21,747,978
Bonds payable	296,241	-	296,241
Net pension liability	185,612	-	185,612
Total non-current liabilities	<u>22,242,809</u>	<u>-</u>	<u>22,242,809</u>
Total liabilities	<u>25,894,180</u>	<u>28,500</u>	<u>25,922,680</u>
DEFERRED INFLOWS OF RESOURCES			
Pension	35,131	-	35,131
NET POSITION			
Net investment in capital assets	32,214,220	6,174,145	38,388,365
Restricted for:			
Capital projects	15,945,748	-	15,945,748
Unrestricted	19,877,656	355,854	20,233,510
Total net position	<u>\$ 68,037,624</u>	<u>\$ 6,529,999</u>	<u>\$ 74,567,623</u>

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

CITY OF RICHMOND HILL, GEORGIA

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Water and Sewer Fund</u>	<u>Stormwater Utility Fund</u>	<u>Total Enterprise Funds</u>
OPERATING REVENUE			
Charges for services	\$ 8,526,130	\$ 652,251	\$ 9,178,381
Miscellaneous	57,885	-	57,885
Total operating revenues	<u>8,584,015</u>	<u>652,251</u>	<u>9,236,266</u>
OPERATING EXPENSES			
Cost of sales and services	6,457,607	697,193	7,154,800
Depreciation	1,852,127	235,153	2,087,280
Total operating expenses	<u>8,309,734</u>	<u>932,346</u>	<u>9,242,080</u>
Operating income (loss)	<u>274,281</u>	<u>(280,095)</u>	<u>(5,814)</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest income	1,270,790	15,036	1,285,826
Interest expense	(415,026)	(868)	(415,894)
Insurance reimbursement	57,762	-	57,762
Grants	265,394	97,841	363,235
Total non-operating revenues, net	<u>1,178,920</u>	<u>112,009</u>	<u>1,290,929</u>
Income (loss) before capital contributions	1,453,201	(168,086)	1,285,115
CAPITAL CONTRIBUTIONS	<u>8,398,767</u>	<u>899,857</u>	<u>9,298,624</u>
Change in net position	9,851,968	731,771	10,583,739
Net position, beginning of year	<u>58,185,656</u>	<u>5,798,228</u>	<u>63,983,884</u>
Net position, end of year	<u>\$ 68,037,624</u>	<u>\$ 6,529,999</u>	<u>\$ 74,567,623</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, 2024**

	Water and Sewer Fund	Stormwater Utility Fund	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 4,408,643	\$ 543,318	\$ 4,951,961
Cash paid to suppliers	(6,007,509)	(704,711)	(6,712,220)
Cash paid to employees	(573,234)	-	(573,234)
Net cash used in operating activities	<u>(2,172,100)</u>	<u>(161,393)</u>	<u>(2,333,493)</u>
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES			
Grant revenue	<u>265,394</u>	<u>97,841</u>	<u>363,235</u>
Net cash provided by non-capital and related financing activities	<u>265,394</u>	<u>97,841</u>	<u>363,235</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Insurance reimbursement	57,762	-	57,762
Acquisition and construction of capital assets	(1,685,439)	-	(1,685,439)
Capital contributions	5,776,231	-	5,776,231
Principal payments on debt	(1,867,165)	(32,304)	(1,899,469)
Interest payments on debt	(415,026)	(868)	(415,894)
Net cash provided by (used in) capital and related financing activities	<u>1,866,363</u>	<u>(33,172)</u>	<u>1,833,191</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest earned on investments:	<u>1,270,790</u>	<u>15,036</u>	<u>1,285,826</u>
Net cash provided by investing activities	<u>1,270,790</u>	<u>15,036</u>	<u>1,285,826</u>
Net change in cash and cash equivalents	1,230,447	(81,688)	1,148,759
Cash and cash equivalents, beginning of year	<u>25,366,794</u>	<u>284,181</u>	<u>25,650,975</u>
Cash and cash equivalents, end of year	<u>\$ 26,597,241</u>	<u>\$ 202,493</u>	<u>\$ 26,799,734</u>
Cash and cash equivalents	\$ 18,790,669	\$ 202,493	\$ 18,993,162
Restricted cash	<u>7,806,572</u>	<u>-</u>	<u>7,806,572</u>
	<u>\$ 26,597,241</u>	<u>\$ 202,493</u>	<u>\$ 26,799,734</u>

(Continued)

CITY OF RICHMOND HILL, GEORGIA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Water and Sewer Fund</u>	<u>Stormwater Utility Fund</u>	<u>Total Enterprise Funds</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED IN OPERATING ACTIVITIES			
Operating income (loss)	\$ 274,281	\$ (280,095)	\$ (5,814)
Adjustments to reconcile operating income (loss) to net cash used in operating activities:			
Depreciation	1,852,127	235,153	2,087,280
(Increase) decrease in:			
Accounts receivable	(383,623)	(108,933)	(492,556)
Long-term receivable	(3,791,749)	-	(3,791,749)
Prepays	4,417	-	4,417
Deferred outflows of resources - pension	33,807	-	33,807
Increase (decrease) in:			
Accounts payable	(166,224)	(7,518)	(173,742)
Accrued liabilities	(2,496)	-	(2,496)
Compensated absences	5,929	-	5,929
Net pension liability	(19,246)	-	(19,246)
Deferred inflows of resources - pension	20,677	-	20,677
Net cash used in operating activities	<u>\$ (2,172,100)</u>	<u>\$ (161,393)</u>	<u>\$ (2,333,493)</u>
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Contributions from developers	\$ 1,057,643	\$ 450,349	\$ 1,507,992
Capital related accounts payable	1,476,969	-	1,476,969
Capital assets transferred from governmental activities	1,564,893	449,508	2,014,401
Net non-cash investing, capital and financing activities	<u>\$ 4,099,505</u>	<u>\$ 899,857</u>	<u>\$ 4,999,362</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, 2024

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, 2024, 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 (Continued)

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 *Special Purpose Local Option Sales Tax ("SPLOST") VIII 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, 2024.

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 two items that qualify for reporting in this category, which is related to pension obligations as follows:

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Deferred Outflows/Inflows of Resources (Continued)

Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net 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 one item that qualifies for reporting in this category, which is related to pension obligations as follows:

The net difference between the projected and actual earnings on pension plan investments which is deferred and amortized over a closed five-year period.

The government also has inflows which arise under the modified accrual basis of accounting that qualify for reporting in this category. The item, unavailable revenue, is reported only in the governmental funds Balance Sheet. As such, under the modified accrual basis of accounting, the governmental funds report unavailable revenues from property taxes, fire fees and grants. 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. 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, 2024 are summarized as follows:

Statement of Net Position:	
Cash and cash equivalents	\$ 60,046,898
Investments	1,611,546
Restricted cash	8,136,637
Component unit - cash and cash equivalents	302,469
	<u>\$ 70,097,550</u>
Cash deposited with financial institutions	\$ 43,824,808
Certificates of deposit	1,611,546
Cash deposited with Georgia Fund 1	24,661,196
	<u>\$ 70,097,550</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

Certain cash and cash equivalents of the City are legally restricted for specified purposes. Restrictions at December 31, 2024 represented amounts in escrow and connection fees collected for water and sewer projects.

In its investment of public funds, the City follows state statutes and adopted investment policies. As of December 31, 2024, the investments of the City were:

Investment and Cash Equivalent	Average Credit Rating	Fair Value	Maturities
Georgia Fund 1	AAAF	\$ 24,661,196	27 day weighted average
Certificates of deposit	N/A	1,611,546	8 months
		\$ 26,272,742	

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").

NOTES TO FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

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. The City does not have a formal policy. As of December 31, 2024, all of the deposits for the City were fully collateralized in accordance with the state statutes.

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, 2024, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Fire Department Fund	SPLOST VIII Fund	TSPLOST 2023-2028	Nonmajor Governmental Funds	Water and Sewer Fund	Stormwater Fund	Total
Receivables:								
Taxes	\$ 413,308	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 413,308
Accounts	1,331,514	86,443	-	-	95,144	1,755,746	213,758	3,482,605
Leases	294,209	-	-	-	-	-	-	294,209
Due from other governments	1,892,736	131,649	877,573	768,898	-	-	-	3,670,856
Gross receivables	<u>3,931,767</u>	<u>218,092</u>	<u>877,573</u>	<u>768,898</u>	<u>95,144</u>	<u>1,755,746</u>	<u>213,758</u>	<u>7,860,978</u>
Less allowance for uncollectibles	<u>(150,175)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(727,289)</u>	<u>(59,298)</u>	<u>(936,762)</u>
Net receivables	<u>\$ 3,781,592</u>	<u>\$ 218,092</u>	<u>\$ 877,573</u>	<u>\$ 768,898</u>	<u>\$ 95,144</u>	<u>\$ 1,028,457</u>	<u>\$ 154,460</u>	<u>\$ 6,924,216</u>

Property Taxes. Property taxes are assessed as of January 1 and taxes were levied on September 10, 2024. A millage rate of 4.132 mills was adopted on September 18, 2024. Tax bills were rendered on December 1, 2024 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 \$78,427 at year-end with a current portion of \$50,714.

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 \$4,393,257 at year-end.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES (CONTINUED)

Long-term Receivables (Continued) On September 10, 2024, the City entered into an intergovernmental agreement with Bryan County for purchase of capacity for the conveyance, treatment, and disposal of wastewater. The intergovernmental agreement stipulated that the County would reimburse the City for the purchase of capacity for the conveyance, treatment and disposal. The sale was at a cost of \$4,050,000 that will be repaid in quarterly installments of \$252,138 over five years at an interest rate of 5%. The total long-term receivable amount totaled \$3,012,674 at year-end with a current portion of \$1,037,326.

Lessor – Lease Receivable. The City is the lessor for certain property as noted in Note 1. The City recognized \$26,022 as lease revenue for the year ended December 31, 2024.

Minimum future revenues and rentals to be received under the lease as of December 31, 2024 are as follows:

Year	Principal	Interest	Total
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	33,928	5,072	39,000
2030 – 2033	146,649	9,351	156,000
	\$ 294,209	\$ 44,791	\$ 339,000

NOTE 5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund receivables and payable balances as of December 31, 2024 is as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor governmental	\$ 40,769
Nonmajor governmental	Nonmajor governmental	55,779
		\$ 96,548
Discretely presented component unit - Convention and Visitor's Bureau	Primary government - Nonmajor governmental	\$ 55,759

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:

Transfer in	Transfer out	Amount
General	Nonmajor governmental	\$ 616,072
Nonmajor governmental	Nonmajor governmental	410,906
Capital improvements	General	500,000
Nonmajor governmental	General	125,000
Fire Department	General	2,033,373
		<u>\$ 3,685,351</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.

NOTE 6. CAPITAL ASSETS

Capital asset activity for the governmental activities for the year ended December 31, 2024 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated					
Land	\$ 4,218,584	\$ -	\$ -	\$ -	\$ 4,218,584
Right of way	805,000	-	-	-	805,000
Construction in progress	1,515,194	2,396,757	-	(2,211,942)	1,700,009
Total	<u>6,538,778</u>	<u>2,396,757</u>	<u>-</u>	<u>(2,211,942)</u>	<u>6,723,593</u>
Capital assets, being depreciated:					
Buildings and improvements	12,183,403	747,565	-	-	12,930,968
Infrastructure and other structures	22,618,403	1,922,218	-	195,094	24,735,715
Machinery, equipment and vehicles	8,739,054	770,805	(69,488)	2,447	9,442,818
Total	<u>43,540,860</u>	<u>3,440,588</u>	<u>(69,488)</u>	<u>197,541</u>	<u>47,109,501</u>
Less accumulated depreciation for:					
Buildings and improvements	(5,419,478)	(459,637)	-	-	(5,879,115)
Infrastructure and other structures	(5,766,559)	(942,320)	-	-	(6,708,879)
Machinery, equipment and vehicles	(6,199,467)	(586,377)	68,771	-	(6,717,073)
Total	<u>(17,385,504)</u>	<u>(1,988,334)</u>	<u>68,771</u>	<u>-</u>	<u>(19,305,067)</u>
Total capital assets, being depreciated, net	<u>26,155,356</u>	<u>1,452,254</u>	<u>(717)</u>	<u>197,541</u>	<u>27,804,434</u>
Governmental activities capital assets, net	<u>\$ 32,694,134</u>	<u>\$ 3,849,011</u>	<u>\$ (717)</u>	<u>\$ (2,014,401)</u>	<u>\$ 34,528,027</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

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

General government	\$ 114,240
Public safety	538,312
Public works	973,156
Culture and recreation	159,703
Housing and development	202,923
Total depreciation expense - governmental activities	<u><u>\$ 1,988,334</u></u>

Capital asset activity for the business-type activities for the year ended December 31, 2024 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Business-type Activities					
Capital assets, not being depreciated:					
Land	\$ 1,100,329	\$ -	\$ -	\$ -	\$ 1,100,329
Construction in progress	364,525	2,404,094	-	1,572,194	4,340,813
Total	<u>1,464,854</u>	<u>2,404,094</u>	<u>-</u>	<u>1,572,194</u>	<u>5,441,142</u>
Capital assets, being depreciated:					
Utility plant and equipment	74,808,679	1,837,518	-	307,294	76,953,491
Buildings	124,464	-	-	-	124,464
Machinery, equipment and vehicles	1,496,768	428,788	-	134,913	2,060,469
Total	<u>76,429,911</u>	<u>2,266,306</u>	<u>-</u>	<u>442,207</u>	<u>79,138,424</u>
Less accumulated depreciation for:					
Utility plant and equipment	(17,629,904)	(1,952,410)	-	-	(19,582,314)
Buildings	(124,464)	-	-	-	(124,464)
Machinery, equipment and vehicles	(901,068)	(134,870)	-	-	(1,035,938)
Total	<u>(18,655,436)</u>	<u>(2,087,280)</u>	<u>-</u>	<u>-</u>	<u>(20,742,716)</u>
Total capital assets, being depreciated, net	<u>57,774,475</u>	<u>179,026</u>	<u>-</u>	<u>442,207</u>	<u>58,395,708</u>
Business-type activities capital assets, net	<u><u>\$ 59,239,329</u></u>	<u><u>\$ 2,583,120</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,014,401</u></u>	<u><u>\$ 63,836,850</u></u>

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

Water and Sewer Fund	\$ 1,852,127
Stormwater Utility Fund	<u>235,153</u>
Total depreciation expense business-type activities	<u><u>\$ 2,087,280</u></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
2025	\$ 172,351	\$ 8,867	\$ 181,218
2026	135,869	4,542	140,411
2027	123,428	1,471	124,899
	\$ 431,648	\$ 14,880	\$ 446,528

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

Year	Principal	Interest	Total
2025	\$ 27,401	\$ 242	\$ 27,643
	\$ 27,401	\$ 242	\$ 27,643

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

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:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 399,360	\$ 54,959	\$ 454,319
2026	242,607	47,019	289,626
2027	249,290	40,366	289,656
2028	256,157	33,626	289,783
2029	263,213	26,500	289,713
2030 – 2032	767,929	35,349	803,278
	<u>\$ 2,178,556</u>	<u>\$ 237,819</u>	<u>\$ 2,416,375</u>

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:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
	<u>\$ 248,811</u>	<u>\$ 24,874</u>	<u>\$ 273,685</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

Notes Payable from Direct Borrowings (Continued)

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.

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%	\$ 1,415,393
GEFA – Construction of new wastewater treatment facility and all necessary appurtenances – Phase I	3,500,000	3.00%	2,194,345
GEFA – Construction of new wastewater treatment facility and all necessary appurtenances – Phase II	10,000,000	1.40%	5,629,644
GEFA – Construction of new wastewater treatment facility and all necessary appurtenances – Phase III	10,500,000	1.03%	6,553,481
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%	2,536,513
GEFA – Construction of a water main, sewer force main, and reuse main infrastructure	2,900,000	1.75%	2,398,179
GEFA – Construction of a water main, sewer force main, and reuse main infrastructure	2,996,500	1.44%	<u>2,689,740</u>
Total loans			23,417,295
Less: current portion			<u>(1,669,317)</u>
Total long-term debt			<u>\$ 21,747,978</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

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

GEFA loans debt service requirements to maturity are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,783,262	260,558	2,043,820
2030 – 2034	9,376,625	842,464	10,219,089
2035 – 2039	4,430,760	215,279	4,646,039
2040 – 2042	967,705	18,182	985,887
	<u>\$ 23,417,295</u>	<u>\$ 2,652,818</u>	<u>\$ 26,070,113</u>

Water and Sewer Bond

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 230,579	\$ 10,287	\$ 240,866
2026	236,269	4,598	240,867
2027	59,972	245	60,217
	<u>\$ 526,820</u>	<u>\$ 15,130</u>	<u>\$ 541,950</u>

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, 2024 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
Financed purchases	\$ 683,029	\$ -	\$ (251,381)	\$ 431,648	\$ 172,351
Bonds payable	2,790,264	-	(611,708)	2,178,556	399,360
Notes payable - direct borrowings	308,433	-	(59,622)	248,811	61,737
Compensated absences	234,725	76,045	-	310,770	164,708
Net pension liability	2,966,471	2,100,158	(2,375,859)	2,690,770	-
Total long-term liabilities	<u>\$ 6,982,922</u>	<u>\$ 2,176,203</u>	<u>\$ (3,298,570)</u>	<u>\$ 5,860,555</u>	<u>\$ 798,156</u>
Business-type activities					
Bonds payable - direct placement	\$ 751,847	\$ -	\$ (225,027)	\$ 526,820	\$ 230,579
GEFA loans payable - direct borrowings	25,059,433	-	(1,642,138)	23,417,295	1,669,317
Financed purchases	59,705	-	(32,304)	27,401	27,401
Compensated absences	21,683	5,929	-	27,612	14,634
Net pension liability	204,858	146,611	(165,857)	185,612	-
Total long-term liabilities	<u>\$ 26,097,526</u>	<u>\$ 152,540</u>	<u>\$ (2,065,326)</u>	<u>\$ 24,184,740</u>	<u>\$ 1,941,931</u>

For the governmental activities, the net pension liabilities are generally liquidated by the General Fund. For the business-type activities, the net pension liabilities 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, 2024. No provisions have been made in the financial statements for the year ended December 31, 2024, 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, with the exception of one matter which is discussed further in Note 15.

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, 2024, the City had outstanding construction commitments totaling \$24,618,927 related to TSPLOST and water and sewer projects.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLAN

Plan Description

The City of Richmond Hill Pension (the "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 ensures 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, 2024, the date of the most recent actuarial valuation, there were 223 participants consisting of the following:

Inactive Plan members or beneficiaries currently receiving benefits	47
Inactive Plan members entitled to but not receiving benefits	76
Active Plan members	100
Total	<u>223</u>

Net Pension Liability of the City and CVB

The City and CVB's net pension liability was measured as of March 31, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024, with updated procedures performed by the actuary to roll forward to the total pension liability measured as of March 31, 2024.

Actuarial Assumptions. The total pension liability in the July 1, 2024 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 gender distinct Pri-2012 headcount weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.

The actuarial assumptions used in the July 1, 2024 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, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-term expected real rate of return*
Domestic equity	45%	6.91%
International equity	20%	7.21%
Real estate	10%	3.61%
Global fixed income	5%	1.67%
Domestic fixed income	20%	1.61%
Cash	-	0%
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 Liability of the City and CVB

The changes in the components of the net pension liability of the City for the year ended December 31, 2024 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Beginning Balance	\$ 14,967,914	\$ 11,796,585	\$ 3,171,329
<i>Changes for the year:</i>			
Service cost	403,217	-	403,217
Interest	1,108,705	-	1,108,705
Differences between expected and actual experience	708,850	-	708,850
Contributions - employer	-	390,291	(390,291)
Contributions - employee	-	187,624	(187,624)
Net investment income	-	1,963,802	(1,963,802)
Benefit payments, including refunds of employee contributions	(695,499)	(695,499)	-
Administrative expense	-	(25,998)	25,998
<i>Net changes</i>	1,525,273	1,820,220	(294,947)
Ending Balance	<u>\$ 16,493,187</u>	<u>\$ 13,616,805</u>	<u>\$ 2,876,382</u>

The changes in the components of the net pension liability of the CVB for the year ended December 31, 2024 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Beginning Balance	\$ 169,960	\$ 134,807	\$ 35,153
<i>Changes for the year:</i>			
Service cost	4,309	-	4,309
Interest	11,848	-	11,848
Differences between expected and actual experience	7,575	-	7,575
Contributions - employer	-	4,171	(4,171)
Contributions - employee	-	2,005	(2,005)
Net investment income	-	20,987	(20,987)
Benefit payments, including refunds of employee contributions	(7,433)	(7,433)	-
Administrative expense	-	(279)	279
<i>Net changes</i>	16,299	19,451	(3,152)
Ending Balance	<u>\$ 186,259</u>	<u>\$ 154,258</u>	<u>\$ 32,001</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Changes in the Net Pension Liability of the City and CVB (Continued)

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

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	\$ 5,234,392	\$ 2,876,382	\$ 963,703
CVB's net pension liability	55,939	32,001	10,299

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, 2024, and the current sharing pattern of costs between employer and employee.

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

For the year ended December 31, 2024, the City recognized pension expense of \$1,059,561. At December 31, 2024, 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	\$ -	\$ 373,251
Changes in actuarial assumptions	-	-
Differences between expected and actual experience	1,675,707	-
Contributions subsequent to the measurement date	377,284	-
Total	\$ 2,052,991	\$ 373,251

City contributions subsequent to the measurement date of \$377,284 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, 2025. 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,	
2025		\$ 363,310
2026		839,294
2027		320,445
2028		(220,593)
Total		\$ 1,302,456

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)

For the year ended December 31, 2024, the CVB recognized pension expense of \$11,323. At December 31, 2024, 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	\$ -	\$ 4,153
Changes in actuarial assumptions	-	-
Differences between expected and actual experience	18,984	-
Contributions subsequent to the measurement date	4,032	-
Total	\$ 23,016	\$ 4,153

CVB contributions subsequent to the measurement date of \$4,032 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, 2025. 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,		
2025		\$ 3,883
2026		8,969
2027		3,425
2028		(1,446)
Total		\$ 14,831

NOTE 11. TAX ABATEMENTS

The Development Authority of Bryan County (the "Authority") can enter into agreements for industrial projects to encourage the creation of jobs and new capital investment in Bryan County 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. TAX ABATEMENTS (CONTINUED)

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, 2024, the cumulative property tax not collected by the City due to incentive agreements was approximately \$336,641. Such agreements in effect for the City resulted in over \$433,179,700 in capital investment and approximately 309 jobs. Please note this job total does not include any part-time or leased employees.

NOTE 12. HOTEL/MOTEL TAX

The City has levied a 7% hotel/motel tax. For the year ended December 31, 2024, \$1,437,741 of hotel/motel tax was collected. Of the total, 100% was used to promote tourism within the City (\$410,763 to the CVB, \$616,072 to the General Fund, and \$410,906 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, 2024 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>(139,012)</u>	<u>(30,799)</u>	<u>-</u>	<u>-</u>	<u>(169,811)</u>
Total leased assets, net	<u>\$ 307,988</u>	<u>\$ (30,799)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 277,189</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, 2024 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Lease liabilities	\$ 320,231	\$ -	\$ (26,022)	\$ 294,209	\$ 26,950

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, 2024 are as follows:

Fiscal Year	Principal	Interest	Total
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	\$ 294,209	\$ 44,791	\$ 339,000

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 and \$1,862,600 for the purpose of replacing a major lift station. No draws have been made on these loans until 2025.

NOTE 15. SPECIAL ITEM

A class action lawsuit has been filed against the City seeking refunds for fire fees collected pursuant to the City of Richmond Hill Ordinance Chapter 38, Article IV – Fire Protection Fee. The City has determined that, in the best interest of the City and its citizens of the City, to settle the lawsuit. The City has agreed to pay the settlement of \$5,000,000 in two installments and for the refunds to be administered by a third-party. Of this settlement amount, \$2,000,000 was recognized as a current liability in the General Fund and the other \$3,000,000 is recorded on the Statement of Net Position as litigation payable.

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			
	2024	2023	2022	2021
Total pension liability				
Service cost	\$ 407,526	\$ 284,536	\$ 278,690	\$ 252,291
Interest on total pension liability	1,120,553	935,834	891,479	785,047
experience	716,425	1,916,724	70,513	854,023
Benefit payments, including refunds of employee contributions	(702,932)	(807,927)	(482,280)	(466,946)
Assumption changes	-	-	-	-
Other	-	-	-	-
Net change in total pension liability	1,541,572	2,329,167	758,402	1,424,415
Total pension liability - beginning	15,137,874	12,808,707	12,050,305	10,625,890
Total pension liability - ending (a)	16,679,446	15,137,874	12,808,707	12,050,305
 Plan fiduciary net position				
Contributions - employer	394,462	340,547	267,831	282,992
Contributions - employee	189,629	169,965	149,998	137,720
Net investment income	1,984,789	(877,146)	760,887	3,894,703
Benefit payments, including refunds of employee contributions	(702,932)	(807,927)	(482,280)	(466,946)
Administrative expenses	(26,277)	(34,645)	(28,542)	(27,053)
Net change in plan fiduciary net position	1,839,671	(1,209,206)	667,894	3,821,416
Plan fiduciary net position - beginning	11,931,392	13,140,598	12,472,704	8,651,288
Plan fiduciary net position - ending (b)	13,771,063	11,931,392	13,140,598	12,472,704
 City's net pension liability (asset) (a) - (b)	\$ 2,908,383	\$ 3,206,482	\$ (331,891)	\$ (422,399)
 Plan fiduciary net position as a percentage of the total pension liability	82.6%	78.8%	102.6%	103.5%
 Covered payroll	\$ 5,839,500	\$ 5,338,647	\$ 5,029,536	\$ 4,694,475
 City's net pension liability (asset) as a percentage of covered payroll	49.81%	60.06%	-6.60%	-9.00%

Fiscal Year						
2020	2019	2018	2017	2016	2015	
\$ 251,834	\$ 234,054	\$ 255,469	\$ 221,705	\$ 224,265	\$ 250,565	
775,175	703,609	684,447	607,952	563,736	562,342	
(251,589)	382,012	(252,797)	397,935	(56,591)	165,667	
(398,367)	(368,107)	(302,558)	(178,570)	(143,182)	(145,209)	
-	148,123	(184,083)	-	-	(816,396)	
(34,181)	-	-	-	-	-	
342,872	1,099,691	200,478	1,049,022	588,228	16,969	
10,283,018	9,183,327	8,982,849	7,933,827	7,345,599	7,328,630	
10,625,890	10,283,018	9,183,327	8,982,849	7,933,827	7,345,599	
211,882	217,360	247,318	219,119	322,297	277,878	
132,611	124,125	113,490	112,041	97,268	89,480	
(652,616)	323,893	1,003,747	896,892	25,554	587,119	
(398,367)	(368,107)	(302,558)	(178,570)	(143,182)	(145,209)	
(29,383)	(26,697)	(26,917)	(27,333)	(18,175)	(16,303)	
(735,873)	270,574	1,035,080	1,022,149	283,762	792,965	
9,387,161	9,116,587	8,081,507	7,059,358	6,775,596	5,982,631	
8,651,288	9,387,161	9,116,587	8,081,507	7,059,358	6,775,596	
<u>\$ 1,974,602</u>	<u>\$ 895,857</u>	<u>\$ 66,740</u>	<u>\$ 901,342</u>	<u>\$ 874,469</u>	<u>\$ 570,003</u>	
81.4%	91.3%	99.3%	90.0%	89.0%	92.2%	
\$ 4,520,012	\$ 4,042,212	\$ 3,970,402	\$ 3,446,777	\$ 3,345,260	\$ 3,243,743	
43.69%	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			
	2024	2023	2022	2021
Actuarially determined contribution	\$ 508,421	\$ 334,218	\$ 329,216	\$ 263,434
Contributions in relation to the actuarially determined contribution	<u>508,421</u>	<u>334,218</u>	<u>329,216</u>	<u>263,434</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 6,402,380	\$ 5,839,500	\$ 5,338,647	\$ 5,029,536
Contributions as a percentage of covered payroll	7.9%	5.7%	6.2%	5.2%

Notes to the Schedule

Valuation date	July 1, 2024
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

Fiscal Year					
<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 261,144	\$ 200,623	\$ 246,360	\$ 222,145	\$ 217,867	\$ 346,287
<u>261,144</u>	<u>200,623</u>	<u>246,336</u>	<u>331,160</u>	<u>189,672</u>	<u>371,519</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24</u>	<u>\$ (109,015)</u>	<u>\$ 28,195</u>	<u>\$ (25,232)</u>
\$ 4,694,475	\$ 4,520,012	\$ 4,042,212	\$ 3,970,402	\$ 3,446,777	\$ 3,345,260
5.6%	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.

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, 2024**

	Special Revenue Funds				Capital Projects Fund	Total Nonmajor Governmental Funds
	Confiscated Assets Fund	Hotel/Motel Tax Fund	City Center Fund	Downtown Development Authority Fund	TSPLOST 2018-2023 Fund	
ASSETS						
Cash and cash equivalents	\$ 91,902	\$ 57,163	\$ 207,508	\$ 248,271	\$ 4,068,487	\$ 4,673,331
Receivables, net of allowance	-	95,144	-	-	-	95,144
Due from other funds	-	-	55,779	-	-	55,779
Total assets	<u>\$ 91,902</u>	<u>\$ 152,307</u>	<u>\$ 263,287</u>	<u>\$ 248,271</u>	<u>\$ 4,068,487</u>	<u>\$ 4,824,254</u>
LIABILITIES AND FUND BALANCE						
LIABILITIES						
Accounts payable	\$ 37,287	\$ -	\$ 19,259	\$ -	\$ -	\$ 56,546
Accrued salaries and related liabilities	-	-	4,073	-	-	4,073
Due to component unit	-	55,759	-	-	-	55,759
Due to other funds	-	96,548	-	-	-	96,548
Total liabilities	<u>37,287</u>	<u>152,307</u>	<u>23,332</u>	<u>-</u>	<u>-</u>	<u>212,926</u>
FUND BALANCE						
Restricted for:						
Public safety	54,615	-	-	-	-	54,615
Capital projects	-	-	-	-	4,068,487	4,068,487
Housing and development	-	-	239,955	248,271	-	488,226
Total fund balance	<u>54,615</u>	<u>-</u>	<u>239,955</u>	<u>248,271</u>	<u>4,068,487</u>	<u>4,611,328</u>
Total liabilities and fund balance	<u>\$ 91,902</u>	<u>\$ 152,307</u>	<u>\$ 263,287</u>	<u>\$ 248,271</u>	<u>\$ 4,068,487</u>	<u>\$ 4,824,254</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, 2024**

	Special Revenue Funds				Capital Projects Fund	Total Nonmajor Governmental Funds
	Confiscated Assets Fund	Hotel/Motel Tax Fund	City Center Fund	Downtown Development Authority Fund	TSPLOST 2018-2023 Fund	
Revenues						
Taxes	\$ -	\$ 1,437,741	\$ -	\$ -	\$ -	\$ 1,437,741
Charges for services	-	-	80,051	-	-	80,051
Fines and forfeitures	3,581	-	-	-	-	3,581
Interest income	-	-	19,910	7,280	186,165	213,355
Miscellaneous	-	-	407	-	-	407
Total revenues	<u>3,581</u>	<u>1,437,741</u>	<u>100,368</u>	<u>7,280</u>	<u>186,165</u>	<u>1,735,135</u>
Expenditures						
Current:						
development	-	410,763	1,087,300	35,008	-	1,533,071
Total expenditures	<u>-</u>	<u>410,763</u>	<u>1,087,300</u>	<u>35,008</u>	<u>-</u>	<u>1,533,071</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,581</u>	<u>1,026,978</u>	<u>(986,932)</u>	<u>(27,728)</u>	<u>186,165</u>	<u>202,064</u>
Sources (Uses)						
Transfers in	-	-	410,906	125,000	-	535,906
Transfers out	-	(1,026,978)	-	-	-	(1,026,978)
Total other financing sources (uses)	<u>-</u>	<u>(1,026,978)</u>	<u>410,906</u>	<u>125,000</u>	<u>-</u>	<u>(491,072)</u>
Net change in fund balances	3,581	-	(576,026)	97,272	186,165	(289,008)
Fund balances, beginning of year	<u>51,034</u>	<u>-</u>	<u>815,981</u>	<u>150,999</u>	<u>3,882,322</u>	<u>4,900,336</u>
Fund balances, end of year	<u>\$ 54,615</u>	<u>\$ -</u>	<u>\$ 239,955</u>	<u>\$ 248,271</u>	<u>\$ 4,068,487</u>	<u>\$ 4,611,328</u>

CITY OF RICHMOND HILL, GEORGIA

**CONFISCATED ASSETS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GAAP BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Fines and forfeitures	\$ 10,000	\$ 10,000	\$ 3,581	\$ (6,419)
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>3,581</u>	<u>(6,419)</u>
Expenditures				
Current:				
Public safety	10,000	10,000	-	10,000
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Net change in fund balances	-	-	3,581	3,581
Fund balance, beginning of year	<u>51,034</u>	<u>51,034</u>	<u>51,034</u>	<u>-</u>
Fund balance, end of year	<u>\$ 51,034</u>	<u>\$ 51,034</u>	<u>\$ 54,615</u>	<u>\$ 3,581</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, 2024**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 1,200,000	\$ 1,450,000	\$ 1,437,741	\$ (12,259)
Total revenues	<u>1,200,000</u>	<u>1,450,000</u>	<u>1,437,741</u>	<u>(12,259)</u>
Expenditures				
Current:				
Housing and development	342,840	414,286	410,763	3,523
Total expenditures	<u>342,840</u>	<u>414,286</u>	<u>410,763</u>	<u>3,523</u>
Excess of revenues over expenditures	<u>857,160</u>	<u>1,035,714</u>	<u>1,026,978</u>	<u>(8,736)</u>
Other financing uses				
Transfers out	(857,160)	(1,035,714)	(1,026,978)	8,736
Total other financing uses	<u>(857,160)</u>	<u>(1,035,714)</u>	<u>(1,026,978)</u>	<u>8,736</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, 2024**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 150	\$ 80,127	\$ 80,051	\$ (76)
Interest income	-	19,650	19,910	260
Miscellaneous	-	-	407	407
Total revenues	<u>150</u>	<u>99,777</u>	<u>100,368</u>	<u>591</u>
Expenditures				
Current:				
Housing and development	<u>342,990</u>	<u>1,114,723</u>	<u>1,087,300</u>	<u>27,423</u>
Total expenditures	<u>342,990</u>	<u>1,114,723</u>	<u>1,087,300</u>	<u>27,423</u>
Deficiency of revenues under expenditures	<u>(342,840)</u>	<u>(1,014,946)</u>	<u>(986,932)</u>	<u>28,014</u>
Other financing sources				
Transfers in	<u>342,840</u>	<u>414,286</u>	<u>410,906</u>	<u>(3,380)</u>
Total other financing sources	<u>342,840</u>	<u>414,286</u>	<u>410,906</u>	<u>(3,380)</u>
Net change in fund balances	-	(600,660)	(576,026)	24,634
Fund balance, beginning of year	<u>815,981</u>	<u>815,981</u>	<u>815,981</u>	<u>-</u>
Fund balance, end of year	<u>\$ 815,981</u>	<u>\$ 215,321</u>	<u>\$ 239,955</u>	<u>\$ 24,634</u>

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, 2024**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Interest income	\$ -	\$ -	\$ 7,280	\$ 7,280
Total revenues	<u>-</u>	<u>-</u>	<u>7,280</u>	<u>7,280</u>
Expenditures				
Current:				
Housing and development	125,000	125,000	35,008	89,992
Total expenditures	<u>125,000</u>	<u>125,000</u>	<u>35,008</u>	<u>89,992</u>
Deficiency of revenues under expenditures	<u>(125,000)</u>	<u>(125,000)</u>	<u>(27,728)</u>	<u>97,272</u>
Other financing sources				
Transfers in	125,000	125,000	125,000	-
Total other financing sources	<u>125,000</u>	<u>125,000</u>	<u>125,000</u>	<u>-</u>
Net change in fund balances	-	-	97,272	97,272
Fund balance, beginning of year	<u>150,999</u>	<u>150,999</u>	<u>150,999</u>	<u>-</u>
Fund balance, end of year	<u>\$ 150,999</u>	<u>\$ 150,999</u>	<u>\$ 248,271</u>	<u>\$ 97,272</u>

CITY OF RICHMOND HILL, GEORGIA

**BALANCE SHEET
CONVENTION AND VISITOR'S BUREAU
DECEMBER 31, 2024**

ASSETS		
Cash and cash equivalents	\$	302,469
Receivables, net of allowance		<u>55,759</u>
Total assets	\$	<u><u>358,228</u></u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable	\$	<u>15,738</u>
Total liabilities		<u>15,738</u>
FUND BALANCE		
Restricted for:		
Culture and recreation		<u>342,490</u>
Total fund balance		<u>342,490</u>
Total liabilities and fund balance	\$	<u><u>358,228</u></u>

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

Total fund balance	\$	342,490
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>(169,811)</u>
		277,189
Lease liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
		(294,209)
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	\$	(32,001)
Deferred outflows related to pension		23,016
Deferred inflows related to pension		<u>(4,153)</u>
		<u>(13,138)</u>
Net position of the Convention and Visitor's Bureau in the Statement of Net Position	\$	<u><u>312,332</u></u>

CITY OF RICHMOND HILL, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
CONVENTION AND VISITOR'S BUREAU
FOR THE YEAR ENDED DECEMBER 31, 2024**

Revenues	
Taxes	\$ 410,763
Miscellaneous	823
Total revenues	411,586
Expenditures	
Current:	
Housing and development	412,605
Debt service:	
Principal retirement	26,022
Interest	9,978
Total expenditures	448,605
Net change in fund balances	(37,019)
Fund balance, beginning of year	379,509
Fund balance, end of year	\$ 342,490

**RECONCILIATION OF THE CONVENTION AND VISITOR'S BUREAU SCHEDULE OF REVENUES,
CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES**

Net change in fund balance	\$ (37,019)
Amounts reported for the Convention and Visitor's Bureau in the Statement of Activities are 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.	26,022
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.	(5,771)
Change in net position of the Convention and Visitor's Bureau to the Statement of Activities	\$ (47,567)

CITY OF RICHMOND HILL, GEORGIA

**SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - SPLOST VII
FOR THE YEAR ENDED DECEMBER 31, 2024**

<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	\$ 554,453	\$ -	\$ -	\$ -
Government/historic buildings	-	1,518,550	978,140	39,834	1,017,974
Public safety	-	2,823,414	2,004,514	148,282	2,152,796
Parks	-	1,644,999	730,967	524,645	1,255,612
Streets and drainage	-	6,823,514	2,284,253	1,516,480	3,800,733
Water and sewer	-	515,000	62,874	327,413	390,287
Planning and zoning	-	294,150	66,688	-	66,688
Debt service	-	6,267,017	4,480,076	1,009,870	5,489,946
Totals	<u>\$ 11,000,000</u>	<u>\$ 20,441,097</u>	<u>\$ 10,607,512</u>	<u>\$ 3,566,524</u>	<u>\$ 14,174,036</u>

CITY OF RICHMOND HILL, GEORGIA

**SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - SPLOST VIII
FOR THE YEAR ENDED DECEMBER 31, 2024**

<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>
Unavailable	\$ 51,450,000	\$ 47,676,500	\$ -	\$ -	\$ -
Unassigned/assigned projects	-	831,357	-	-	-
Government/historic buildings	-	400,000	-	-	-
Public safety	-	1,321,250	-	268,286	268,286
Parks	-	300,000	-	-	-
Streets and drainage	-	462,893	-	-	-
Water and sewer	-	170,000	-	-	-
Debt service	-	288,000	-	-	-
Totals	<u>\$ 51,450,000</u>	<u>\$ 51,450,000</u>	<u>\$ -</u>	<u>\$ 268,286</u>	<u>\$ 268,286</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, 2024**

<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	\$ 9,165,750	\$ 2,456,945	\$ -	\$ -	\$ -
Great Ogeechee Parkway	-	2,482,470	2,246,877	-	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	5,204,651	-	5,204,651
Totals	<u>\$ 9,165,750</u>	<u>\$ 12,176,067</u>	<u>\$ 7,483,528</u>	<u>\$ -</u>	<u>\$ 7,483,528</u>

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, 2024**

Project	Original Estimated Cost	Current Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
Transportation projects	\$ 28,000,000	\$ 20,959,205	\$ -	\$ -	\$ -
Belfast Keller widening	-	7,065,795	-	-	-
Totals	\$ 28,000,000	\$ 28,025,000	\$ -	\$ -	\$ -

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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.



RICHMOND HILL
G E O R G I A

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.	81 – 85
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.	86 – 89
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.	90 – 94
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.	95 and 96
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.	97 – 100

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									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities										
Net investment in capital assets	\$ 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	\$ 31,669,012
Restricted	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	22,439,623
Unrestricted	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	17,762,601
Total governmental activities net position	<u>\$ 24,004,053</u>	<u>\$ 22,554,962</u>	<u>\$ 23,438,002</u>	<u>\$ 21,543,318</u>	<u>\$ 23,775,148</u>	<u>\$ 29,875,892</u>	<u>\$ 35,614,247</u>	<u>\$ 51,237,670</u>	<u>\$ 65,390,537</u>	<u>\$ 71,871,236</u>
Business-type activities										
Net investment in capital assets	\$ 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	\$ 38,388,365
Restricted	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	15,945,748
Unrestricted	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	20,233,510
Total business-type activities net position	<u>\$ 26,254,012</u>	<u>\$ 27,776,976</u>	<u>\$ 32,401,966</u>	<u>\$ 34,214,997</u>	<u>\$ 37,971,569</u>	<u>\$ 46,686,677</u>	<u>\$ 51,699,784</u>	<u>\$ 58,616,528</u>	<u>\$ 63,983,884</u>	<u>\$ 74,567,623</u>
Primary government										
Net investment in capital assets	\$ 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	\$ 70,057,377
Restricted	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	38,385,371
Unrestricted	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	37,996,111
Total primary government net position	<u>\$ 50,258,065</u>	<u>\$ 50,331,938</u>	<u>\$ 55,839,968</u>	<u>\$ 55,758,315</u>	<u>\$ 61,746,717</u>	<u>\$ 76,562,569</u>	<u>\$ 87,314,031</u>	<u>\$ 109,854,198</u>	<u>\$ 129,374,421</u>	<u>\$ 146,438,859</u>

CITY OF RICHMOND HILL, GEORGIA

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities:										
General government	\$ 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	\$ 2,263,349
Judicial	36,081	37,434	41,703	40,926	165,305	186,728	181,603	154,548	170,898	185,447
Public safety	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	10,930,591
Public works	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	3,571,320
Culture and recreation	576,483	1,221,329	574,358	1,242,712	701,117	644,457	654,121	740,041	847,080	1,206,859
Housing and development	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	2,254,787
Interest on long-term debt	157,821	147,573	180,825	295,402	361,374	349,610	293,465	236,318	153,935	86,699
Total governmental activities expenses	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	20,499,052
Business-type activities:										
Water and sewer	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	8,724,760
Stormwater	-	303,599	669,914	807,704	656,029	608,798	707,547	616,755	721,949	933,214
Total business-type activities expenses	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	9,657,974
Total primary government expenses	\$ 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	\$ 30,157,026
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 300	\$ -	\$ 525	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	778,407	842,546	588,719	612,177	764,505	1,695,230	1,838,583	2,736,312	2,820,093	2,428,962
Public works	824,295	843,522	860,251	894,547	922,790	1,120,034	1,021,793	1,233,632	1,406,785	1,603,824
Culture and recreation	56,720	41,305	46,782	26,634	23,100	1,505	22,020	31,295	27,954	19,090
Housing and development	335,112	531,888	495,582	372,053	1,524,924	459,102	446,305	739,698	1,024,382	509,882
Operating grants and contr.	84,845	14,053	657,375	55,788	267,575	1,251,945	504,326	5,064,324	449,425	913,119
Capital grants and contr.	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	11,400,209
Total governmental activities program revenues	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	16,875,086

(Continued)

CITY OF RICHMOND HILL, GEORGIA

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Program Revenues (Continued)										
Business-type activities:										
Charges for services	\$ 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	\$ 9,178,381
Operating grants and contributions	-	-	-	-	-	-	-	-	-	363,235
Capital grants and contr.	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	7,284,223
Total business-type activities program revenues	6,469,708	9,106,852	11,477,756	9,004,864	10,274,025	15,755,542	11,862,640	14,200,688	12,282,191	16,825,839
Total primary government program revenues	\$ 10,395,886	\$ 13,178,063	\$ 17,056,779	\$ 13,271,896	\$ 16,699,346	\$ 26,729,231	\$ 21,408,046	\$ 31,718,381	\$ 28,603,477	\$ 33,700,925
Net (expense)/revenue governmental activities	\$ (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)	\$ (3,623,966)
Business-type activities	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	7,167,865
Total primary government net expense	\$ (4,141,855)	\$ (6,993,376)	\$ (2,151,262)	\$ (8,173,166)	\$ (3,603,245)	\$ 5,550,126	\$ (55,432)	\$ 9,166,813	\$ 2,948,661	\$ 3,543,899
General Revenues										
Governmental activities:										
Taxes	\$ 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	\$ 16,295,707
Unrestricted invest. earnings	14,832	22,557	41,761	95,544	150,039	69,064	33,826	77,655	552,471	647,238
Miscellaneous	18,596	54,124	175,793	20,717	264,647	215,887	225,404	189,602	207,079	176,121
Transfers	-	(1,176,986)	-	500,000	81,805	-	(453,203)	-	(351,198)	(2,014,401)
Special item	-	-	-	-	-	-	-	-	-	(5,000,000)
Total governmental activities	6,944,835	5,819,173	7,581,812	8,655,664	9,065,250	9,234,715	10,211,392	13,149,608	15,098,362	10,104,665
Business-type activities:										
Unrestricted investment earnings	47,938	40,652	20,745	33,693	55,321	31,011	20,153	132,105	879,975	1,285,826
Miscellaneous	28,718	30,438	56,735	-	329,903	-	122,146	91,641	242,027	115,647
Transfers	-	1,176,986	-	(500,000)	(81,805)	-	453,203	-	351,198	2,014,401
Total business-type activities	76,656	1,248,076	77,480	(466,307)	303,419	31,011	595,502	223,746	1,473,200	3,415,874
Total primary government	\$ 7,021,491	\$ 7,067,249	\$ 7,659,292	\$ 8,189,357	\$ 9,368,669	\$ 9,265,726	\$ 10,806,894	\$ 13,373,354	\$ 16,571,562	\$ 13,520,539
Changes in Net Position										
Governmental activities	\$ 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	\$ 6,480,699
Business-type activities	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	10,583,739
Total primary government	\$ 2,879,636	\$ 73,873	\$ 5,508,030	\$ 16,191	\$ 5,765,424	\$ 14,815,852	\$ 10,751,462	\$ 22,540,167	\$ 19,520,223	\$ 17,064,438

CITY OF RICHMOND HILL, GEORGIA

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund:										
Non-spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,617	\$ 175,957	\$ 43,814
Restricted	-	-	400,000	60,084	60,084	199,301	233,006	325,668	221,445	118,684
Assigned	-	-	-	-	-	-	940,000	-	-	-
Unassigned	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	14,041,852
Total General Fund	\$ 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	\$ 14,204,350
All Other Governmental Funds:										
Non-spendable										
Special revenue funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,084	\$ 1,577	\$ 3,698	\$ 8,641
Restricted										
Special revenue funds	208,040	228,542	233,398	185,446	255,973	377,064	564,073	847,151	1,110,411	584,168
Capital projects funds	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	21,736,771
Assigned										
Capital projects funds	-	-	-	-	-	-	-	4,981,878	7,392,496	6,829,232
Unassigned, reported in:										
Capital projects funds	-	-	-	-	-	(476,315)	-	-	-	-
Total all other governmental funds	\$ 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	\$ 29,158,812

CITY OF RICHMOND HILL, GEORGIA

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020 ^(a)	2021	2022	2023	2024
Revenues										
Taxes	\$ 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	\$ 15,933,924
Licenses and permits	335,112	531,888	495,582	372,053	529,503	538,407	528,108	817,629	1,104,932	513,780
Intergovernmental	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	10,373,343
Charges for services	890,219	897,856	918,770	926,761	1,950,973	2,128,308	2,217,985	2,815,387	2,996,253	3,288,260
Fines and fees	769,503	829,517	577,507	606,597	754,843	523,245	664,411	1,185,852	1,258,579	843,667
Interest	18,058	27,153	46,773	106,456	187,646	96,902	40,591	84,763	1,134,334	1,713,548
Other	19,518	51,431	173,568	21,017	414,647	215,887	225,404	189,602	207,079	176,121
Total revenues	<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>	<u>32,842,643</u>
Expenditures										
General government	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	2,076,257
Judicial	36,081	37,434	41,703	40,926	164,292	181,923	188,931	159,285	163,158	177,219
Public safety	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	10,048,474
Public works	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	3,628,119
Culture and recreation	508,597	507,831	511,058	1,099,557	870,272	510,712	546,494	683,258	944,387	1,037,149
Housing and development	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	2,421,860
Capital outlay	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	4,290,764
Debt service:										
Principal	564,781	635,530	495,284	650,112	655,749	1,858,094	2,041,726	2,104,489	2,170,059	922,711
Interest	158,444	147,108	183,417	266,306	351,622	357,063	303,145	236,318	167,406	96,678
Total expenditures	<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>	<u>24,699,231</u>
Excess of revenues over (under) expenditures	<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>	<u>8,143,412</u>
Other Financing Sources (Uses)										
Debt issuance	387,967	631,387	3,500,000	4,650,000	624,748	864,000	-	-	-	-
Sale of surplus property	-	-	-	7,100	-	-	-	-	-	-
Transfers in	508,613	2,025,558	520,964	1,035,417	729,766	1,259,911	1,837,995	7,717,158	5,191,351	3,685,351
Transfers out	(508,613)	(523,664)	(520,964)	(535,417)	(647,961)	(1,259,911)	(1,837,995)	(7,717,158)	(5,191,351)	(3,685,351)
Total other financing sources (uses)	<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>	<u>-</u>
Special Item	<u>-</u>	<u>-</u>	<u>(2,000,000)</u>							
Net change in fund balance	<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>	<u>\$ 6,143,412</u>
Debt service as a percentage of non-capital expenditures	7.50%	7.52%	6.06%	6.30%	7.88%	18.40%	15.82%	14.84%	13.77%	5.40%

Notes:

Non-capital expenditures are total expenditures less capital outlay.

^(a) In calendar year 2020, management began reporting fire safety costs in the Fire Special Revenue Fund.

CITY OF RICHMOND HILL, GEORGIA

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

Tax Digest Year	Real Property						Other Personal Property	Tax Exempt Property	Total		Ratio of Total Assessed to Total Estimated Actual Value	Total Direct Tax Rate
	Residential	Commercial	Industrial	Mobile Homes	Motor Vehicles	Utility			Assessed Value	Estimated Actual Value		
2015	\$ 354,925,629	\$ 100,154,855	\$ 3,050,562	\$ 302,080	\$ 15,736,040	\$ 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	953,162	280,140	11,402,490	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	38,765,794	274,084	8,214,060	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	21,605,286	273,600	6,241,710	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	14,421,418	250,180	5,056,360	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	21,917,581	227,424	4,368,940	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	20,971,222	227,424	3,844,490	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	28,416,010	227,528	3,359,060	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	38,598,169	227,528	3,424,730	7,688,093	77,836,146	49,243,220	1,089,474,795	2,723,686,988	40.00%	4.132
2024	828,642,333	208,301,266	92,510,274	430,448	3,275,250	8,601,389	77,324,927	92,973,084	1,312,058,971	3,280,147,428	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>
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
2024	4.132	16.575	5.939	-	26.646

Source: Bryan County Tax Commissioner

* Includes School Bond millage

CITY OF RICHMOND HILL, GEORGIA

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

Taxpayer	2024			2015		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Belfast XG LLC	\$ 43,600,000	1	3.80%	\$ -	-	-
Raydient Richmond Hill LLC	29,514,419	2	2.57%	-	-	-
Development Authority of Bryan Co	23,490,360	3	2.05%	-	-	-
Caesarstone	15,302,640	4	1.33%	-	-	-
L W Richmond Hill Investco	14,010,560	5	1.22%	-	-	-
The Commons LLC	11,651,857	6	1.02%	-	-	-
SFG Belfast RH LLC	10,980,000	7	0.96%	-	-	-
Belfast Commerce Centre LLC	9,885,624	8	0.86%	-	-	-
Buckeye (Flats) Spec LLC	7,947,040	9	0.69%	-	-	-
Pulte Home Company LLC	7,879,285	10	0.69%	-	-	-
The Ford Plantation Club Inc	-	-	-	4,694,368	1	0.94%
Hobart Corporation	-	-	-	4,205,781	2	0.84%
Ashton Apartments LLC	-	-	-	3,239,360	3	0.65%
NAP Richmond Hill LLC	-	-	-	3,073,000	4	0.62%
Georgia Power Company	-	-	-	2,358,294	5	0.47%
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	\$ 174,261,785		15.18%	\$ 27,059,559		5.43%

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
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%
2024	4,729,849	4,251,058	89.88%	-	4,251,058	89.88%

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)
	2015	\$ 16.50	\$ 2.35	\$ 2.55	\$ 2.95	\$ 3.85	\$ 16.50	\$ 2.35	\$ 2.55	\$ 2.95
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
2024	21.00	3.50	3.70	4.10	5.00	21.00	3.50	3.70	4.10	5.00

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
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
2024	24.00	3.10	24.00	3.10	21.00	5.00

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			
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
2024	431,648	2,178,556	248,807	27,401	23,417,294	526,820	26,830,526	3.82%	1,352

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, 2024**

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^(a)</u>	<u>Estimated Share of Overlapping Debt</u>
City of Richmond Hill			
Note payable	\$ 248,807	100.00%	\$ 248,807
Contractual obligations:			
Richmond Hill Public Facilities Authority Revenue Bond, Series 2017	2,015,299	100.00%	2,015,299
Richmond Hill CVB Authority Refunding Revenue Bond, Series 2013	163,257	100.00%	163,257
Financed purchases	431,648	100.00%	431,648
Total Direct Debt	<u>2,859,011</u>		<u>2,859,011</u>
Bryan County, Georgia			
Notes payable	337,616	38.65%	130,489
Financed purchases	29,283,359	38.65%	11,318,018
Leases	1,689,304	38.65%	652,916
Bond payable	11,590,000	38.65%	4,479,535
Bryan County School Board			
General Government Series 2018	74,250,000	38.65%	28,697,625
General Government Series 2021	13,870,000	38.65%	5,360,755
General Government Series 2022	10,940,000	38.65%	4,228,310
Financed Purchases	698,560	38.65%	269,993
Overlapping debt			<u>55,137,641</u>
Total direct and overlapping debt			<u>\$ 57,996,652</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**

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total assessed value of taxable property	\$ 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	\$ 1,219,085,887
Less exemptions for bond purposes	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	74,398,281
Net assessed value for bond purposes	<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>	<u>\$ 1,144,687,606</u>
Debt limit percentage	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Debt limit	\$ 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	\$ 114,468,761
Total net debt applicable to limit: General obligation bonds (net of set aside)	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<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>	<u>\$ 114,468,761</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	
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
2024	8,584,015	(6,457,607)	2,126,408	1,867,165	415,026	0.93

^(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⁾
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%
2024	19,839	702,062,532	35,388	30.8	3.0%

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>2024*</u>			<u>2015 *</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 2024.

* The employment information was not readily available from 2015.

CITY OF RICHMOND HILL, GEORGIA

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

Function/Program	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government	16	17	17	15	15	13	13	10	10	10
Judiciary	2	2	3	2	4	4	4	4	4	4
Public safety	47	53	53	65	67	70	72	80	80	84
Culture and recreation	4	4	6	6	6	5	6	5	1	1
Housing and development	8	7	7	7	7	7	7	7	7	7
Water and sewer services	3	4	4	5	4	4	4	4	4	4
Total	80	87	90	100	103	103	106	110	106	110

Source: City Personnel Records

CITY OF RICHMOND HILL, GEORGIA

OPERATING INDICATORS BY FUNCTION LAST TEN CALENDAR YEARS

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police:										
Arrests	n/a	n/a	n/a	748	822	646	723	726	845	770
Accidents	n/a	n/a	n/a	822	806	696	828	827	838	846
Investigations	n/a	n/a	n/a	8,873	15,496	15,641	15,636	17,408	16,355	15,683
Fire:										
Number of calls	931	1,341	1,441	1,370	1,528	2,157	2,530	2,525	2,780	2,771
Fire calls	32	49	59	65	41	45	46	49	45	44
Non-Fire calls	899	1,292	1,382	1,305	1,487	2,112	2,484	2,476	2,735	2,727
Public works:										
Streets (miles)	54.43	55.03	56.19	56.19	58.57	61.89	82.53	95.03	95.32	96.44
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	39.47	42.28	43.18	61.49	64.40	65.46	65.46
Water:										
Average daily consumption (millions of gallons)	1.272	1.380	1.378	1.371	1.588	1.892	2.030	2.150	1.860	1.820
Sewer:										
Average daily sewage treatment (millions of gallons)	1.554	1.465	1.312	1.319	1.426	1.598	1.540	1.530	1.720	2.600
Public Development:										
Building permits for all categories - commercial and residential	n/a	n/a	n/a	n/a	831	792	897	651	1,453	793

Sources: City records

n/a - This information is not available.

CITY OF RICHMOND HILL, GEORGIA

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Fire stations	2	2	2	2	2	2	3	3	3	3
Public works:										
Streets (miles)	54.43	55.03	56.19	56.19	58.57	61.89	82.53	95.03	95.32	96.44
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	39.47	42.28	43.18	61.49	64.40	65.46	65.46
Parks and recreation:										
Parks	4	4	4	4	4	4	5	5	6	6
Water:										
Water mains (miles)	101.06	72.76	87.82	93.43	95.82	98.74	107.83	121.85	121.85	126.35
Wells	4	4	4	4	4	4	4	4	4	4
Wastewater:										
Sanitary sewers (miles)	101.67	101.67	121.62	122.19	127.46	130.58	141.21	141.58	141.58	142.37
Maximum daily treatment capacity (millions of gallons)	1.50	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00

Sources: City records

CITY OF RICHMOND HILL, GEORGIA

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

<u>Year</u>	<u>Ground Water Production</u>		<u>Sewerage Treatment Facility</u>		<u>Number of Accounts</u>
	<u>Daily Average (MGD)</u>	<u>Peak Day (MGD)</u>	<u>Capacity (MGD)</u>	<u>Average Influent Flow (MGD)</u>	
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
2024	1.820	2.924	3.000	2.06	8,462

Sources: City records

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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated September 16, 2025.

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 City'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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Savannah, Georgia
September 16, 2025



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

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

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the City of Richmond Hill, Georgia's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended December 31, 2024. The City's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2024.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Mauldin & Jenkins, LLC

Savannah, Georgia
September 16, 2025

CITY OF RICHMOND HILL, GEORGIA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>AL Number</u>	<u>Identification Number</u>	<u>Expenditures</u>
U.S. Department of Homeland Security			
Passed through Georgia Emergency Management Agency			
Disaster Grants - Public Assistance	97.036	FEMA-4821-DR-GA	\$ 572,930
Disaster Grants - Public Assistance	97.036	FEMA-4830-DR-GA	<u>599,272</u>
Total U.S. Department of Homeland Security			<u>\$ 1,172,202</u>
Total Expenditures of Federal Awards			<u>\$ 1,172,202</u>

CITY OF RICHMOND HILL, GEORGIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024

NOTE 1. BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Richmond Hill, Georgia (the "City") and is presented on the accrual basis of accounting for the proprietary fund types and the modified accrual basis of accounting for governmental fund types.

The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations ("CFR") Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2. DE MINIMIS INDIRECT COST RATE

The City chose not to use the 10% de minimis cost rate for the fiscal year ended December 31, 2024.

NOTE 3. NON-CASH AWARDS

The City did not receive non-cash federal awards during the year ended December 31, 2024.

NOTE 4. SUBRECIPIENTS

The City did not pass any federal funding through to subrecipients during the year ended December 31, 2024.

CITY OF RICHMOND HILL, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024

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

Internal control over major programs:

Material weaknesses identified?

Yes None Reported

Significant deficiencies identified not considered to be material weaknesses?

Yes None Reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with the 2 CFR 200.516(a)?

Yes No

Identification of major programs:

Name of Federal Program or Cluster

AL #97.036

U.S. Department of Homeland Security
Disaster Grants – Public Assistance

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

\$750,000

Auditee qualified as low-risk auditee

Yes No

CITY OF RICHMOND HILL, GEORGIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024**

**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.