

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Year Ended December 31, 2023

City of Savannah, Georgia



**ANNUAL COMPREHENSIVE FINANCIAL REPORT
CITY OF SAVANNAH, GEORGIA
YEAR ENDED DECEMBER 31, 2023**



**PREPARED BY:
FINANCE DEPARTMENT**



**CITY OF SAVANNAH, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2023**

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INTRODUCTORY SECTION

LETTER OF TRANSMITTAL

PRINCIPAL OFFICIALS

ORGANIZATION CHART

CERTIFICATE OF ACHIEVEMENT





Office of the City Manager
P.O. Box 1027
Savannah, Georgia 31402
(912) 651-6415 Fax (912) 238-0872

May 15, 2024

Citizens of Savannah, Honorable Mayor and Aldermen:

In accordance with state statutes and local charter provisions, we hereby submit the Annual Comprehensive Financial Report of the City of Savannah for the year ended December 31, 2023. Management assumes full responsibility for the completeness and reliability of the information contained in the report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Mauldin and Jenkins LLC has issued an unmodified (“clean”) opinion on the City of Savannah’s financial statements for the year ended December 31, 2023. The Independent Auditors’ Report is located at the front of the financial section of this report. In addition to the audit of the financial records, the City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996, and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Information related to this single audit, including the schedule of expenditures of federal awards, findings and recommendations and auditors’ reports on the internal control and compliance with applicable laws and regulations, and a schedule of findings and questioned costs is presented in a separate report which can be obtained from the City’s Finance Department.

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

Profile of the Government

Savannah is Georgia’s oldest city. From its founding as a British colony in 1733, under the leadership of General James Edward Oglethorpe, the City has maintained its Town Plan within its core area and today remains an internationally recognized urban model because of its distinctive grid pattern and open spaces. Its founding 20 miles from the mouth of the Savannah River has evolved into its status as a modern-day freight hub that supports its shipping industry, crossroads of two interstate highways and rail network. The City encompasses about 108 square miles. The City’s population as of the 2020 census totals 147,780 and Savannah is the largest city and county seat of Chatham County, which had a population of 295,291 as of the 2020 census.

Savannah city government provides a full range of municipal services: police and fire; municipal court; sanitation and landfill; water and sewer utility; stormwater; development services; neighborhood, recreational and cultural services; golf course; planning and zoning; code compliance; construction

and maintenance of highways, streets and infrastructure; and civic center. State law empowers the City of Savannah 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.

Since 1954, the City of Savannah has operated 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 eight Aldermen, to levy taxes, enact ordinances and adopt the annual budget and service plan as well as to perform other legislation duties, including approving agreements, major purchases and land use changes. Six Council members are elected by district and two are elected at-large, the same as the Mayor. 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's government. The City Manager leads an Executive Leadership Team of six Chief Officers to provide administrative leadership to some 30 departments.

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, Resource Recovery Development Authority (RRDA) is reported as an enterprise fund of the primary government.

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. The service center is the legal level of control, which is defined as the level at which expenditures may not legally exceed the budget without approval by the City Council. Additionally, expenditures, revenues and performance data are monitored 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 of Savannah and surrounding areas enjoy a diversified local economic base. This economic base includes (i) major manufacturers of jet aircraft, paper products and chemicals, (ii) two large military installations, (iii) two nationally recognized medical centers and 18 skilled nursing care facilities, (iv) 17 institutions of higher learning with over 72,000 students enrolled, and (v) the nation's fourth largest urban landmark historic district. Unemployment within the region has been relatively low when compared to the national and state levels. For December 2023, the unemployment rate in Savannah was 2.4% compared to 3.7% nationally and 3.2% for the State of Georgia as a whole.

Overall, six industry groups account for nearly three-quarters of the jobs in the Savannah area: educational and health services (13.5%), state and local government (10.4%), leisure and hospitality (13.5%), manufacturing (9.4%), professional and business services (14.1%), and retail trade (11.6%). The federal government is also a significant economic presence thanks to Fort Stewart, located in nearby Liberty County, and Hunter Army Airfield located in the City of Savannah. During 2023, there were approximately 25,000 military personnel and civilian defense workers at these facilities making the Department of Defense the largest, single employer in the area. The total payroll for both bases is approximately \$1.5 billion, and these facilities combine for an annual economic impact on the region of \$5.0 billion. Fort Stewart is the largest military installation east of the Mississippi River and accounts for nearly three-fourths of the military employment in the area.

Savannah continues to be a destination of choice among travelers and has received many accolades from travel industry publications. The southern charm and alluring culture of the City has been recognized nationally as one of the “South’s Best Cities” (#2) by *Southern Living* and was named the #1 “Weekend Getaway in the South” by *Travel and Leisure*. Savannah’s landmark historic district continues to be the number one tourist destination in Georgia with an estimated 17 million visitors in 2022, 2 million more than 2021. The annual St. Patrick’s Day Parade and Festival ranks as the second largest celebration of St. Patrick’s Day in America. Savannah is also becoming known nationally and internationally as a “foodie” town and a great place for weddings and romantic get-a-ways. Due to its mild climate and low cost of living, Savannah is also becoming increasingly popular as a retirement community.

Another major component of the local economy is logistics and transportation, which is led by the Georgia Ports Authority (GPA). Georgia’s deep-water ports and inland barge terminals support nearly 561,000 jobs throughout the state and annually contribute \$59 billion to state GDP, \$3.8 billion in state and local taxes and \$140 billion in revenue to Georgia’s economy. The GPA operates the Port of Savannah, and for 2023 moved 5.4 million TEUs (twenty-foot equivalent units) making it the third busiest port in the country for container trade. While the Port of Savannah is the largest single-terminal container facility in North America, the GPA has announced long-term expansion projects that will increase the port’s capacity by 60 percent by 2025. The GPA has also partnered with the City of Savannah to improve the quality of life for citizens living in near-port communities. This eight-year, \$6.0 million initiative will include efforts to repair existing homes, construct new homes and provide down payment assistance programs for those with low to moderate incomes.

The recent announcement of Hyundai’s plans to build its Meta Plant North America location in neighboring Bryan County is expected to have a significant impact on the local economy. The development of the electric vehicle plant is the largest economic development project in the state’s history and is expected to cost \$5.5 billion to construct and once completed is expected to employ 8,100 workers. An additional \$1.0 billion in investment is anticipated to come from Hyundai suppliers and to provide additional expansion to the local economy. As the center of the region’s economy, Savannah is anticipating increased demands for housing, healthcare and education as the vehicle plant and related manufacturers come on-line. Recent projections indicate Savannah’s resident population could increase as much as 35,000 by 2045.

Long-term Financial Planning

As of December 31, 2023, unassigned fund balance in the general fund (19.6% of total general fund expenditures and transfers out) compares favorably to the policy guidelines set by the City for budgetary and planning purposes (i.e., between 15% and 20% of total general fund expenditures and transfers out). No draw on general fund reserves is planned in the 2024 budget and current expenditures and transfers out are balanced with current revenues and transfers in. In addition to the unassigned fund balance in the general fund, the City also maintains a sales tax stabilization reserve. These reserves are funded from higher than anticipated local option sales tax revenues and are used to fund unbudgeted sales tax revenue deficits. As of the end of 2023, the sales tax stabilization reserves totaled \$5,501,000. No draw on the sales tax stabilization reserves was necessary in 2023 or planned in the 2024 budget.

Total general fund revenues and transfers in for 2024 are budgeted at \$274,736,829, which is 1.6% higher than the final budget for 2023. The adopted 2024 budget conservatively assumed 3.0% growth in property tax revenues and tentatively set a 2024 property tax millage rate of 12.20 which was the same rate for 2023. The 2024 budget also includes a 100% freeport exemption on qualified personal property taxes within the City. This freeport exemption provides tax relief for manufacturers and should make the City more attractive for new manufacturing investment. This exemption saves taxpayers approximately \$2.4 million each year. Local option sales taxes are projected to be 3.0% higher in 2024 compared to 2023.

In addition to the annual operating budget, the City prepares a five-year capital plan that is updated on an annual basis. The most recent plan update for years 2024 through 2028 identifies projects and funding that total \$365.7 million and includes major categories of water and sewer, public buildings,

parks and recreation, community development, drainage, streets and traffic improvements. The general fund is projected to contribute \$38.9 million or 10.6% of the funding for the five-year plan. The water and sewer fund accounts for \$161.0 million or 44.0% of the funding for the five-year plan. SPLOST 7 proceeds allocated over the five-year plan total \$41.2 million. This six-year special purpose local option sales tax was approved on a county-wide basis and collections started in late 2020. Year one of the five-year capital plan, which was adopted by the mayor and council in December 2023, totals \$80.4 million in project funding and includes allocations of \$43.7 million for water and sewer improvements, \$9.6 million for community development improvements, \$5.4 million for public buildings, and \$6.0 million to improve streets, sidewalks and traffic management.

Major Initiatives

The City of Savannah is an organization powered by people that deliver world-class municipal services daily. As such, the City is focused on employee retention and development as it prepares for the future. The 2024 budget includes a structural shift in the City's compensation plans that will move employees to their target salaries based on longevity in their position. This compensation plan will provide an additional \$13.0 million in wage growth for Team Savannah. It also includes a new pay package for public safety employees in police and fire that will increase the minimum salaries in these ranks by 2.5 percent. Other front-line workers in sanitation, water and sewer and recreation will see an average wage increase of 15 percent. As a result of these improvements, the average annual salary of a City employee will increase from \$47,000 to \$54,000.

Fulfilling the vision for Savannah's future means investing in today's priorities. Across the City, major projects are planned and underway to address areas of need impacting both residents and visitors. These projects are addressing infrastructure needs within the storm drainage system to alleviate deferred maintenance within the City's pump stations and storm sewer system that conveys rainwater during major storm events. Major canal improvements are currently underway in several major basins around the City to help address structural and street flooding issues. Another area of need being addressed is recreation, art and culture. These programs have been "re-imagined" for the next decade and will focus on providing what residents and visitors are most interested in experiencing here in Savannah. Strategic initiatives in this area include a complete restructuring of the staffing levels at City parks and community centers to provide an additional 30 positions to ensure high quality services are being delivered to both seniors and youth participants. Major capital investments in recreation facilities will upgrade the John S. Delaware Center, Daffin Park and Guy Minnick Field. Finally, the City of Savannah is dedicated to improving the lives of the City's most vulnerable, including the low income, elderly, and those experiencing homelessness. New programs to address these quality-of-life issues have been introduced over the past several years and new investments in these areas will continue to bolster the City's ability to provide the services needed by this growing population. Prior public investments in the Savannah Affordable Housing Fund are paying major dividends by leveraging private funds to increase the amount of affordable housing units available to Savannah's working poor. New developments at Dawes Avenue and at the fairgrounds property are moving forward with major investments from the City of Savannah. Savannah is addressing immediate needs by funding rapid rehousing contracts administered by local service providers to provide placement services to citizens at risk of being on the streets. In addition to addressing housing issues, the City is providing resources through its community partnership program and other grant programs to address social service needs, homeless support grants and homeless day center support.

Making the necessary investments in public safety plays a large role in Savannah's strategic plan. Investments will be made to reduce crime and to keep Savannah's citizens and visitors safe by funding proven initiatives that intervene to prevent violent crime through deep community engagement. Key public safety investments include new public safety facilities that will serve new population centers, many of which are the result of recent annexation efforts. The City will also launch a state-of-the-art real time public safety center that will allow public safety personnel to anticipate "hot spots" and deploy additional resources to those areas to deter crime and violence from occurring.

Other Information

Awards

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its annual comprehensive financial report for the year ended December 31, 2022. To be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized annual comprehensive report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA for consideration.

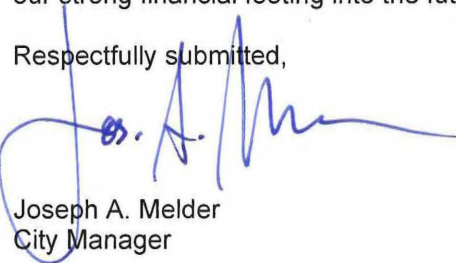
In addition, the City also received the GFOA's Distinguished Budget Presentation Award for the 2023 Service Program and Budget document. To qualify for the Distinguished Budget Presentation Award, the City's budget document must be proficient in several categories including policy documentation, financial planning, and organization.

Acknowledgments

The preparation of this report could not have been accomplished without the professional, efficient, and dedicated services of the entire staff of the Financial Services Department, the Office of Organizational Performance and Accountability, and the Office of Management and Budget, as well as the independent auditors. We express appreciation to all staff members who contributed to its preparation.

In summary, the financial condition of the City entity is favorable. Our diversity of revenue sources, resistance to recessionary downturns, growing economic base, and professional conservative financial management with a strong propensity for planning, provide a firm foundation for maintaining our strong financial footing into the future.

Respectfully submitted,



Joseph A. Melder
City Manager



David F. Maxwell, CPA
Senior Director of Financial Services

**CITY OF SAVANNAH, GEORGIA
PRINCIPAL OFFICIALS
2023**

ELECTED OFFICIALS

MAYOR

Van R. Johnson, II

ALDERMEN

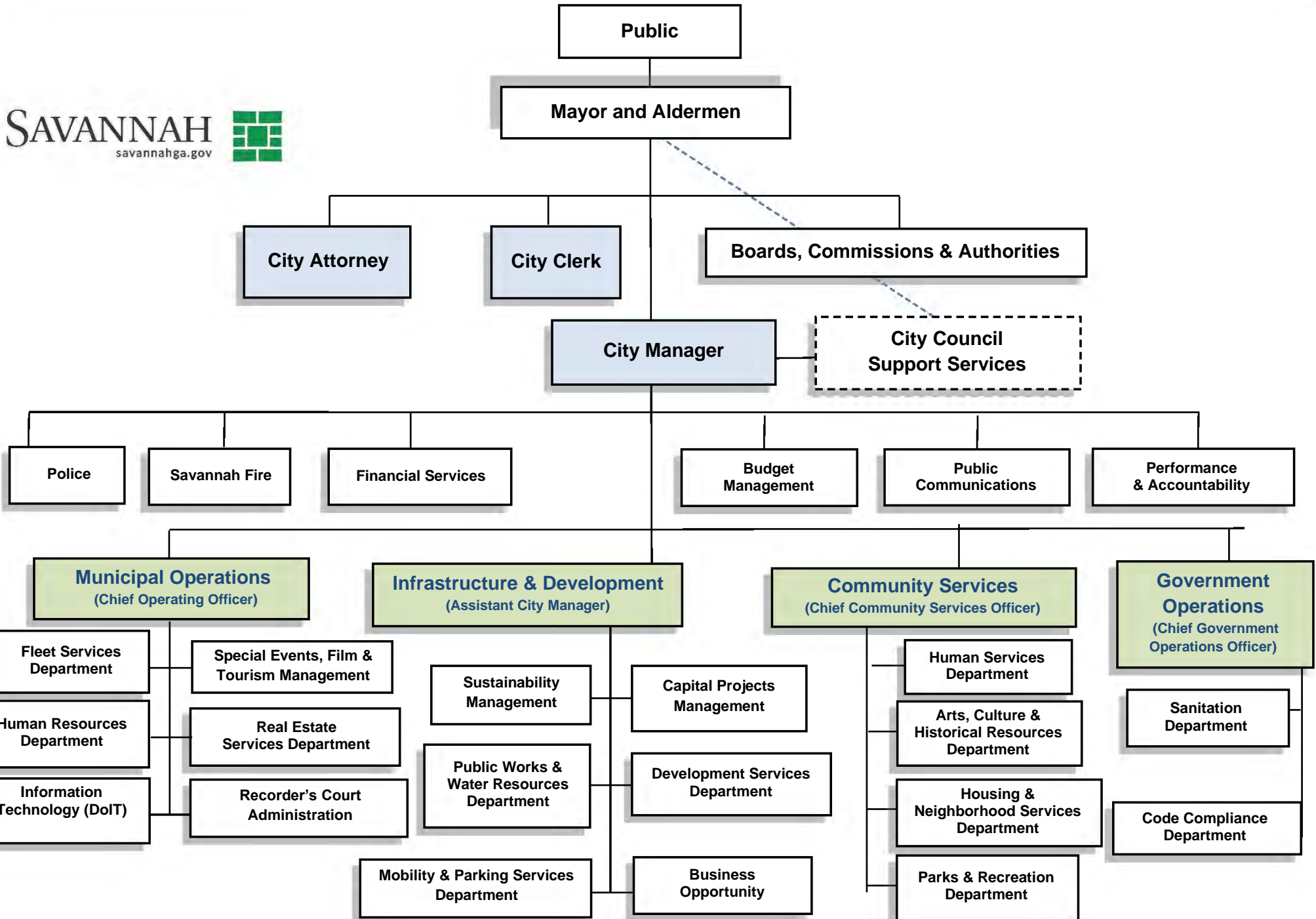
Kesha Gibson-Carter
Bernetta B. Lanier
Linda Wilder-Bryan
Dr. Estella Edwards Shabazz

Alicia Miller-Blakely
Detric Leggett
Nick Palumbo
Kurtis Purtee

OTHER OFFICIALS

Joseph A. Melder City Manager
Heath Lloyd Assistant City Manager
David F. Maxwell, CPA Senior Director of Financial Services
Melissa Carter Senior Director of Budget

CITY OF SAVANNAH ORGANIZATIONAL STRUCTURE





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Savannah
Georgia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morill

Executive Director/CEO





FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS
BASIC FINANCIAL STATEMENTS
NOTES TO THE FINANCIAL STATEMENTS
REQUIRED SUPPLEMENTARY INFORMATION



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor
and Members of the City Council
City of Savannah, Georgia
Savannah, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Savannah, Georgia, (the "City"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof 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.

Emphasis of Matter

The City implemented Governmental Accounting Standards Board ("GASB") Statement No. 96, *Subscription-Based Information Technology Arrangements*, as of January 1, 2023. This standard significantly changed the accounting for the City's subscription-based information technology arrangements and related disclosures. Our opinions are with respect to this matter not modified.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 ("MD&A") on pages 4 through 16, the budgetary schedules for the General Fund, Hotel/Motel Tax Fund, and Community Development Fund, pension schedules for the Employees' Retirement Plan, cost sharing pension plans, plans with special funding situations and plans without special funding situations, and OPEB schedules for the City's Other Post-Employment Benefit Plan on pages 98 through 113 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 fund statements and schedules, the schedule of hotel/motel tax, and the schedule of revenues and expenditures/expenses – rental motor vehicle tax are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City. The accompanying schedules of projects funded with special sales tax proceeds are presented for purposes of additional analysis as required by the Official Code of Georgia Annotated ("O.C.G.A.") §48-8-121 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 fund statements and schedules, the schedule of hotel/motel tax, the schedule of revenues and expenditures/expenses – rental motor vehicle tax, and the schedules of projects funded with special sales tax proceeds 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 the 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 May 15, 2024, on our consideration of the City'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's internal control over financial reporting and compliance.

Savannah, Georgia
May 15, 2024

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

Management's Discussion and Analysis

This Management's Discussion and Analysis (MD&A) section offers readers of the City of Savannah's financial statements a narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2023. Readers are encouraged to consider the information presented here in conjunction with additional information furnished in the letter of transmittal, which can be found on pages i - v of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows at the close of 2023 by \$1,987,454,965 (net position). Of this amount, \$320,723,675 is unrestricted net position. The net investment in capital assets of \$1,443,113,281 is also a component of net position at year end. Restricted net position totals \$223,618,009 and represents amounts that are subject to various restrictions. The deferred outflows of resources totaled \$92,611,734 at the close of 2023. Of this amount, \$73,931,136 was related to pensions and \$18,532,669 was related to post employment benefits other than pension (OPEB). Deferred inflows of resources totaled \$34,299,853 at the close of 2023 compared to \$95,635,497 at the close of 2022. Most of this amount was related to OPEB (\$26,033,750) and leases (\$4,079,383).
- The government's total net position increased by \$124,247,809 during 2023. Approximately 72.8% of this increase is attributable to governmental activities. The remaining 27.2% is attributable to business-type activities, primarily the water and sewer utility.
- As of the close of 2023, the City's governmental funds reported combined ending fund balances of \$395,317,868, an increase of \$58,055,948 from the year ended December 31, 2022. The increase is mostly attributable to the collection of transfers in within the capital improvement fund and intergovernmental revenues within the SPLOST 2020-2026 fund.
- The unassigned fund balance for the general fund at the end of 2023 was \$53,887,923 or 19.6% of total general fund expenditures and transfers-out for the year. For the year ended December 31, 2023, the total fund balance in the general fund increased \$4,740,735 and the unassigned fund balance increased \$4,527,472.
- The City's total long-term liabilities experienced a net increase of \$105,756,780 during the 2023 fiscal year. Of this amount, \$91,838,792 was recognized as an increase in the governmental activities and \$13,917,988 was recognized as an increase in the business-type activities. Changes in long term liability amounts resulted from an increase in the City's net pension liability within both the governmental and business type activities. The overall net pension liability increased by \$104,748,775 during 2023 compared to 2022. Of this total amount, an increase of \$83,356,587 was recognized in the governmental activities and an increase of \$21,392,188 was recognized in the business type activities. Also in 2023, the governmental-type activities recognized new long-term liabilities resulting from the issuance of the Downtown Savannah Authority, Series 2023 bond. The proceeds (\$2,565,000) of the bond issue partially financed the construction and equipping of a road interchange and other improvements to support a proposed warehouse development located on the recently annexed Rockingham Farms tract. The Downtown Savannah Authority previously issued its Series 2021 bonds and Series 2022 bond to provide the remaining funding for this project.

Adoption of New Accounting Standards – Subscription-Based Information Technology Arrangements

The City implemented Governmental Accounting Standards Board ("GASB") Statement No. 96, Subscription-Based Information Technology Arrangements ("SBITA") for the fiscal year beginning January 1, 2023. Upon adoption of the new standard, the City recognized subscription right-of-use assets totaling \$1,391,508 and subscription liabilities totaling \$428,166. See Notes 1, 5 and 7 for disclosures on significant accounting policies, summary description of SBITA and information on estimated future subscription payments.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The "statement of activities" presents information showing how the government's net position changed during the most recent fiscal 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 only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both government-wide financial statements 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). The governmental activities of the City include governance and strategic services, municipal services, infrastructure and development, governmental operations, police, recorder's court, fire, parks and recreation, tourism enhancement, community services, grant program and administration and community development. The business-type activities of the City include the water and sewer utility, sanitation (i.e. solid waste collection and disposal), resource recovery, parking services, civic center, and golf course.

The Resource Recovery Development Authority for the City of Savannah, although legally separate, functions for all practical purposes as a component of the City, and therefore has been included as an integral part of the primary government. See the Notes to the Financial Statements Note 1 - Summary of Significant Accounting Policies (A) Reporting Entity for a discussion of other entities which are not considered part of the primary government.

The government-wide financial statements can be found on pages 17 - 18 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. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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 government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains twenty-three individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, community development fund, hotel/motel tax fund, capital improvement fund and SPLOST 2020-2026 fund, which are considered to be major funds. Data from the other eighteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for the general fund, the community development fund and the hotel/motel tax fund. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with their budgets.

The basic governmental fund financial statements can be found on pages 19 - 22 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer utility, sanitation activities, resource recovery, parking services, civic center, and golf course. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for a revolving fund (which includes vehicle maintenance and information services) and a risk management fund. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

The proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer utility, sanitation operation, parking services operation and the civic center operation, each of which are considered to be major funds of the City. Data from the other two enterprise funds (which are non-major funds) is combined into a single, aggregated presentation. Individual fund data for each of these non-major enterprise funds is provided in the form of combining statements elsewhere in this report.

The two internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 23 - 25 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 26 - 27 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28 - 97 of this 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 progress in funding its obligation to provide pension benefits to its employees, progress in funding its obligation to provide post employment benefits to its retirees, and budgetary comparisons for the general fund, community development fund and the hotel/motel tax fund. Required supplementary information can be found on pages 98 - 113 of this report.

The "combining statements" referred to earlier in connection with non-major governmental and enterprise funds, and internal service funds are presented immediately following the required supplementary information in the Supplemental Section. Combining and individual fund statements and schedules can be found on pages 114 - 144 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$1,987,454,965 at the close of the most recent fiscal year. The following table provides a comparative summary of the City's net position for 2023 and 2022:

City of Savannah -- Net Position (\$000)						
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$555,209	\$517,503	\$263,964	\$259,438	\$819,173	\$776,941
Capital assets (see note)	938,902	891,649	705,801	690,504	1,644,703	1,582,153
Total assets	<u>1,494,111</u>	<u>1,409,152</u>	<u>969,765</u>	<u>949,942</u>	<u>2,463,876</u>	<u>2,359,094</u>
Deferred outflows of resources	71,847	22,085	20,765	7,303	92,612	29,388
Total assets and deferred outflows of resources	<u>\$1,565,958</u>	<u>\$1,431,237</u>	<u>\$990,530</u>	<u>\$957,245</u>	<u>\$2,556,488</u>	<u>\$2,388,482</u>
Other liabilities	\$30,905	\$29,868	\$17,907	\$19,178	\$48,812	\$49,046
Long-term liabilities outstanding (see note)	252,289	160,878	233,633	219,715	485,922	380,593
Total liabilities	<u>283,194</u>	<u>190,746</u>	<u>251,540</u>	<u>238,893</u>	<u>534,734</u>	<u>429,639</u>
Deferred inflows of resources	<u>22,609</u>	<u>70,779</u>	<u>11,691</u>	<u>24,857</u>	<u>34,300</u>	<u>95,636</u>
Net position:						
Net investment in capital assets	882,150	833,917	560,963	536,491	1,443,113	1,370,408
Restricted	217,513	170,142	6,104	1,895	223,617	172,037
Unrestricted	<u>160,492</u>	<u>165,653</u>	<u>160,232</u>	<u>155,109</u>	<u>320,724</u>	<u>320,762</u>
Total net position	<u>1,260,155</u>	<u>1,169,712</u>	<u>727,299</u>	<u>693,495</u>	<u>1,987,454</u>	<u>1,863,207</u>
Total liabilities, deferred inflows of resources and net position	<u>\$1,565,958</u>	<u>\$1,431,237</u>	<u>\$990,530</u>	<u>\$957,245</u>	<u>\$2,556,488</u>	<u>\$2,388,482</u>

Note: Prior year adjustments recorded in the current year related to GASB 96 are reflected in the prior year column in the preceding table.

The largest portion of the City's net position (72.6% or \$1,443,113,281) reflects its investment in capital assets (e.g., land, buildings, machinery, 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 the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the City's net position (11.3% or \$223,618,009) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (16.1% or \$320,723,675) may be used to meet the government's ongoing obligations to citizens and creditors. However, much of this unrestricted balance is earmarked for future capital projects. As of the end of the 2023 fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

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During the current fiscal year, the government's net position increased by \$124,247,809. About 72.8% of this increase is attributable to governmental activities mainly due to capital grants/contributions received in 2023. The remaining increase (27.2%) is attributable to business-type activities, primarily the water and sewer utility. This increase is earmarked for funding capital projects in future years for the City's business-type activities. The following table summarizes changes in net position for the years ended December 31, 2023 and 2022:

City of Savannah - Changes in Net Position (\$000)						
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 26,342	\$ 28,102	\$ 161,319	\$ 150,763	\$ 187,661	\$ 178,865
Operating grants and contributions	15,877	45,922			15,877	45,922
Capital grants and contributions	66,032	55,627	11,590	8,623	77,622	64,250
General revenues:						
Property taxes	99,008	92,751			99,008	92,751
General sales taxes	66,531	66,266			66,531	66,266
Other taxes	89,017	83,494			89,017	83,494
Grants and contributions not restricted as to use	6,323	2,391			6,323	2,391
Other	15,608	6,508	9,547	17,565	25,155	24,073
Total revenues	<u>384,738</u>	<u>381,061</u>	<u>182,456</u>	<u>176,951</u>	<u>567,194</u>	<u>558,012</u>
Expenses (net of indirect costs):						
Governance, strategic services and municipal services	30,129	19,989			30,129	19,989
Infrastructure and development	73,638	64,832			73,638	64,832
Governmental operations	5,500	3,713			5,500	3,713
Public safety	117,349	88,019			117,349	88,019
Parks and recreation, tourism	38,660	28,380			38,660	28,380
Community services	14,090	15,751			14,090	15,751
Community development and workforce training	19,670	26,878			19,670	26,878
Interest on long-term debt	2,436	2,347			2,436	2,347
Water and sewer			78,716	69,758	78,716	69,758
Sanitation and solid waste disposal			38,035	34,965	38,035	34,965
Parking facilities			18,925	18,932	18,925	18,932
Civic center and golf course			5,799	4,854	5,799	4,854
Total expenses	<u>301,472</u>	<u>249,909</u>	<u>141,475</u>	<u>128,509</u>	<u>442,947</u>	<u>378,418</u>
Increase in net position before contributions and transfers	83,266	131,152	40,981	48,442	124,247	179,594
Transfers	7,177	(3,527)	(7,177)	3,527		
Change in net position	90,443	127,625	33,804	51,969	124,247	179,594
Net position - January 1	1,169,712	1,042,087	693,495	641,526	1,863,207	1,683,613
Net position - December 31	<u>\$ 1,260,155</u>	<u>\$ 1,169,712</u>	<u>\$ 727,299</u>	<u>\$ 693,495</u>	<u>\$ 1,987,454</u>	<u>\$ 1,863,207</u>

Governmental activities. Governmental activities increased the City's net position by \$90,443,155. Key elements of this increase are as follows:

- Capital grants and contributions were recognized in 2023 in the amount of \$66,032,356. Most of this revenue, \$46,536,566, was special purpose local option sales taxes received from Chatham County. An additional amount totaling \$7,007,248 was the value of infrastructure assets such as roads and bridges constructed by other governments and private developers, which were conveyed to the City during the year. The City received \$1,713,746 from the State of Georgia for road improvement projects during 2023.
- Property taxes increased by \$6,257,238 (6.7%) during the year as compared to 2022. This increase was mainly due to growth in the City's taxable digest, which increased by 12.6% in 2023 compared to the previous year. The City's 2023 millage rate of 12.20 mills was unchanged from the previous year's millage rate. Growth in the taxable digest has averaged 8.1% annual growth over the past 5 years. Much of the growth in the 2023 digest can be attributed to real estate development within the City, which increased by \$838,741,148 (13.0%) in taxable value compared to 2022. Personal property values increased in 2023 by a total taxable value of \$76,733,915 (10.9%) compared to 2022.
- General sales tax revenue collections totaled \$66,530,739 in 2023, an increase of 0.4% compared to 2022. This increase is reflective of increased taxable sales within the county. The City's percentage share of county-wide general sales tax revenues remained unchanged in 2023 with the City receiving 57.0% of sales tax collected within the county.
- Selective sales tax revenues increased in 2023 by \$3,618,437 (7.7%) compared to 2022. This increase is mostly attributable to increased tourist traffic for the City in 2023 compared to 2022 and the associated taxes generated by the leisure and hospitality industry. Hotel/motel revenues increased by \$4,346,354 (12.5%).
- Unrestricted investment earnings in 2023 were \$12,024,693, which was \$8,522,020 higher than 2022. The average return on invested funds in 2023 was 4.58% compared to 1.42% in 2022.

For 2023, overall governmental activity expenses increased by \$51,563,048 (20.6%) as compared to 2022. In 2023, pension expense increased \$19,621,809 compared to 2022. Pension expense is allocated to the governmental activities based on the number of employees assigned to that activity. As such, all of the governmental activities were impacted by this increase in pension expense in 2023. OPEB expense increased by \$4,400,240 in 2023 compared to 2022. Just as with pension expense, OPEB expense is allocated to the governmental activities based on the number of employees assigned to that activity. As such, all of the governmental activities were impacted by this increase in OPEB expense in 2023.

The infrastructure and development activity, which includes the City's public works and building inspection functions, increased expenses by \$8,805,966 (13.6%) in 2023 compared to the previous year. Much of this increase is attributable to increases in internal service expenses (\$3,693,187), neighborhood parks maintenance (\$3,474,711) and urban forestry (\$1,074,346). These increased costs for 2023 reflected the City's "Back to Basics" initiative to dedicate more resources to services that impact residents and visitors daily.

The municipal services activity increased expenses by \$9,220,982 (65.6%) in 2023 compared to the previous year. This increase can be attributed to the building maintenance function which increased \$3,644,045 (112.0%), the city cemetery function which increased \$983,504 (42.3%), and the human resources function which increased \$621,968 (26.7%). Nearly all of the increase attributed to the building maintenance function resulted from a budgeting change that centralized the cost of utilities and janitorial services within this function for governmental buildings. These charges were previously decentralized across several benefiting functions.

Aggregate public safety expenses in 2023 were higher than 2022 by \$29,330,244 (33.3%). The public safety activity includes the police department, which increased expenses by \$20,667,640 (40.5%), records court, which increased expenses by \$806,532 (41.8%) and the fire department, which increased expenses by \$7,856,072 (22.4%). Significant increases were seen in the police department expenses related to pension expense, higher by \$7,352,896, internal service

expense, higher by \$6,891,815, and OPEB expense, higher by \$2,218,108. Similar to the police department, the fire department experienced significant increases related to pension expense, higher by \$3,641,135 and OPEB expense, higher by \$3,488,327.

Tourism enhancement expenses were higher in 2023 by \$3,450,323 (18.4%) compared to the previous year. Most of this increase can be attributed to legally mandated payments made from the City's hotel/motel tax collections. During 2023, the City increased this tax rate from 6% to 8%. The additional tax revenues increased legally required payments to a destination marketing organization (DMO) for promoting Savannah as a tourism and convention destination and to the trade and convention center located on Hutchinson Island. A new component of the increased tax is the mandate that certain collections must be used for tourism product development within the City. During 2023, the City collected \$2,201,461 for this new purpose.

Expenses related to the City's community development program decreased \$8,371,248 (39.6%) in 2023 compared to 2022. This decrease is mainly the result of a onetime payment in 2022 of \$9,021,874 to the City's development partner transferring the corpus of the Savannah Affordable Housing Fund. The City's development partner, CHSA, was contracted in 2022 to administer and operate the affordable housing program in partnership with the private sector to better leverage private investment in low income and workforce housing within Savannah.

Business-type activities. Business-type activities increased the City's net position by \$33,804,654. Key elements of this increase are as follows:

- Charges for services for business-type activities overall increased by \$10,557,032 or 7.0%. The water and sewer activity increased charges for services by \$8,815,364 or 9.6% in 2023 as compared to 2022. This increase is attributable to higher revenues received from metered services provided to both water customers and sewer customers. Combined water and sewer metered revenues were \$1,341,997 higher in 2023 compared to 2022. In addition, 2023 charges for water and sewer services were \$7,537,496 higher in 2023 compared to 2022, which is a 41.4% increase. The sanitation activity increased charges for services by \$810,526 or 2.2%. Charges for services within the parking facilities activity increased in 2023 compared to 2022 with a total increase of \$655,662 (3.3%). Civic center charges for services increased \$312,057 or 16.2%.
- Capital grants and contributions, associated with the water and sewer activity, in the amount of \$11,590,458 were recognized in 2023. Within the water and sewer activity, this amount represents the value of infrastructure contributed by developers and other governmental entities to the city during the year.
- Unrestricted investment earnings in 2023 were \$8,219,626 compared to \$2,630,863 in 2022. This increase is attributable to significantly higher interest rates paid in 2023 on idle cash investments.

Overall, expenses for business-type activities increased in 2023 by \$12,966,730, or 10.1%. The water and sewer activity increased expenses by \$8,957,258 (12.8%) in 2023 compared to 2022. For the water and sewer activity, the largest expense increase for 2023 can be attributed to personal services, which increased \$4,805,061 (27.9%). This increase can be attributed to a 2.5% COLA adjustment at the beginning of 2023 and the implementation of a shift differential for certain employee classifications. Other water and sewer expense increases were in contractual services expenses which increased by \$1,408,642 (7.7%) and commodities which increased by \$1,284,609 (17.4%). The sanitation activity increased expenses by \$3,071,040 (8.8%) in 2023, compared to 2022. Within the sanitation activity for 2023, expenses for personal services increased \$4,634,093 (45.9%), landfill closure and post closure care expense increased \$308,494 (22.6%) and contractual services expenses decreased by \$2,451,066 (17.3%). The civic center activity increased expenses by \$895,723 (19.8%) in 2023, compared to 2022. This increase is attributable to higher expenses in 2023 for personal services of \$264,461 (61.9%) and contractual services of \$828,135 (67.9%). Expenses for the parking facilities activity were virtually unchanged in 2023 compared to 2022 with an overall decrease of \$6,680.

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Government funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the 2023 fiscal year, the City's governmental funds reported combined ending fund balances of \$395,317,868, an increase of \$58,055,948 from the prior year end. Approximately 13.6% of the fund balance (\$53,887,923) is classified as unassigned. These funds are available for spending in future years without restrictions. The City's restricted fund balance at year end was \$170,616,116 or 43.2%. These balances are available for spending in future years but are restricted for specific purposes. Of the restricted amount reported at year end, \$154,214,553 is for SPLOST projects, \$10,017,177 is for tax allocation district projects, \$765,254 is for other capital projects, \$525,539 is for impact fee capital projects, \$2,190,035 is for tourism product development, \$397,073 is for public safety purposes, \$1,748,803 is for debt service, \$351,462 is for downtown tourism and \$406,220 is for economic development purposes. The City's committed fund balance at year end was \$162,002,274 or 41.0%. Committed fund balances represent amounts that have been constrained by the mayor and council for specific purposes. As of December 31, 2023, committed fund balance consisted of \$156,235,878 for other capital projects, \$1,162,609 for economic development projects, \$775,863 for disaster recovery and \$3,827,924 in open purchase orders. The final category of fund balance shown is nonspendable and consists of assets set aside for perpetual care of the City's cemeteries. Nonspendable fund balance at year end was \$8,811,555 or 2.2%.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$53,887,923. As a measure of the general fund's liquidity, it is useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 19.6% of total general fund expenditures plus transfers-out.

The total fund balance of the City's general fund increased in 2023 by \$4,740,735. Key factors in this increase are as follows:

- Total general fund revenues increased by \$16,186,600 (6.8%) and transfers in decreased by \$39,657,610 (61.5%) in 2023 compared to 2022. Much of the decrease in transfers in in 2023 resulted from the 2022 receipt by the City of \$27,795,624 in Coronavirus State and Local Fiscal Recovery Funds from the U.S. Department of Treasury. This 2022 receipt was the final tranche of these funds and no amount was received in 2023.
- Property tax revenues increased by \$3,325,554 (3.6%) compared to the prior year.
- Revenues from general sales taxes increased by \$264,574 (0.4%) compared to the prior year.
- Business taxes increased by \$1,054,530 in 2023 compared to 2022. This was an 8.7% increase for the year.
- Investment income in 2023 was \$7,841,445 which is \$5,529,094 higher than the \$2,312,351 recognized in 2022 for investment income. This increase is reflective of higher yields on invested funds.

Total expenditures of the general fund were \$222,114,640 in 2023, which is an increase of \$11,974,898 (5.7%) compared to 2022. Increases in expenditures for 2023 were experienced in governance and strategic services (\$1,257,085 or 19.2%), municipal services (\$5,595,307 or 27.2%), governmental operations (\$381,035 or 10.3%), infrastructure and development (\$5,193,446 or 10.9%), police (\$581,396 or 0.9%), recorder's court (\$50,957 or 2.1%), fire (\$1,976,290 or 5.5%), parks and recreation (\$187,221 or 1.6%) and tourism enhancement (\$401,278 or 41.1%). Expenditures for community services decreased in 2023 by \$3,993,083 (23.8%) compared to 2022.

The community development fund is used by the City to account for the receipt and expenditure of federal grant program funds such as community development block grant funds, HOME program funds and several revolving loan programs. In 2023, this fund expended \$10,345,735 on the City's community development

program and its administration, which is a decrease of \$9,214,430 or 47.1% from the prior year. During 2023, this fund received \$1,513,346 in transfers from the general fund to fund grant matches, operational costs not funded by grants.

The City maintains the capital improvement fund, which is used to account for revenues and expenditures related to major construction projects that benefit the governmental functions of the City. In 2023, the capital improvement fund received revenues which included \$1,713,746 from intergovernmental sources, investment income of \$1,208,967 and revenue from miscellaneous sources in the amount of \$987,441. During 2023, the capital improvement fund received transfers in from the general fund totaling \$46,309,609. The capital improvement fund expended \$33,241,720 for the acquisition and construction of capital projects during 2023. As of the end of 2023, the capital improvement fund had a fund balance of \$157,001,132, all of which is required for approved capital projects.

The City also maintains the SPLOST 2020-2026 fund, which is used to account for revenues and expenditures related to the special purpose local option sales tax referendum passed by local voters in 2019. During 2023, the fund received intergovernmental revenues of \$46,536,566 representing the City's share of the county-wide tax receipts. In 2023, the fund expended a total of \$14,739,493. Of this amount \$13,523,490 was expended for the acquisition and construction of capital projects and \$1,216,003 was expended for debt service on the City's general obligation debt. As of the end of 2023, the SPLOST 2020-2026 fund had a fund balance of \$98,034,503, all of which is required for projects specified within the authorizing referendum.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the water and sewer fund at the end of the year amounted to \$140,255,689, which is an increase from the prior year of \$5,062,187. Though not restricted as such, this balance is earmarked for capital improvements needed for the water and sewer system in future years. Unrestricted sanitation fund net position at year end was negative \$5,560,277, a decrease of \$3,550,633 compared to 2022. Unrestricted parking services net position increased by \$2,748,338 for 2023 and ended the year with a balance of \$27,893,189. Unrestricted net position for the civic center fund ended 2023 at a deficit balance of \$2,645,207, which was an increase of \$849,905 from 2022. Unrestricted net position for the non-major enterprise funds at the end of 2023 was \$288,379 which is \$12,906 higher than the prior year end.

General Fund Budgetary Highlights

The difference between the 2023 original budget appropriations and the 2023 final amended budget appropriations for expenditures reflects a decrease of \$2,012,614 which is 0.9%. Expenditure budget amendments reflect increases to the community services expenditure budget in the amount of \$3,790,594 (36.0%), fire in the amount of \$556,043 (1.5%), parks and recreation in the amount of \$147,457 (1.2%) and to the municipal services budget in the amount of \$2,163,950 (9.0%). Expenditure budget amendments reduced expenditure budgets for governance and strategic services (reduced \$463,529 or 5.4%), governmental operations (reduced \$407,694 or 9.1%), infrastructure and development (reduced \$2,164,320 or 3.9%), police (reduced \$5,506,665 or 8.0%), recorder's court (reduced \$11,056 or 0.4%) and tourism enhancement (reduced by \$117,394 or 7.9%). Budgeted transfers out were increased in total by \$36,469,092. Budgeted transfers out to the capital improvement fund were increased by \$35,000,000 during 2023. Final budgeted revenues were \$29,514,914 (13.2%) higher than the adopted budget for 2023. Significant amendments to budgeted revenues include an increase of \$8,999,565 (9.8%) to property taxes, an increase of \$8,093,336 (13.3%) to general sales tax, an increase of \$1,193,540 (14.5%) to selective sales taxes, an increase of \$1,437,423 (12.3%) to business taxes and to investment income an increase of \$6,307,000 from the original budget amount of \$55,000.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business type activities as of December 31, 2023, amounted to \$1,644,702,932 (net of accumulated depreciation). The investment in capital assets includes land; plants and buildings; improvements other than buildings; machinery, equipment and fixtures; streets and drainage; and construction in progress. The total net increase in the value of the City's investment in capital assets for the current fiscal year was \$62,977,977 (a \$47,680,438 net increase for governmental activities and a \$15,297,539 net increase for business-type activities).

Major capital asset events during the current fiscal year included the following:

- Various governmental capital asset projects with a total value of \$123,232,874 were completed or acquired during the year. The total value of governmental capital assets of all types still under construction at year end was \$301,333,091. A variety of plants and buildings with a total value of \$46,713,159 were completed or acquired during the year. Machinery and other rolling stock valued at \$11,526,774 was placed into service during the year. Improvements other than buildings valued at \$11,782,531 were completed during the year. Streets and drainage improvements valued at \$44,089,174 were placed into service during 2023.
- Various business-type plant capital asset projects with a total value of \$32,014,330 were completed or acquired during the year. The total value of business-type capital assets of all types still under construction at year end was \$227,454,689. Plants, buildings and other physical plant assets valued at \$28,638,701 were placed into service during the year. Improvements other than buildings increased \$2,061,474 and machinery and equipment increased by \$1,314,155.

The following table summarizes the City's governmental activity and business-type activity capital assets by major category as of the end of 2023 and 2022:

	City of Savannah - Capital Assets (\$000)					
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 80,308	\$ 79,508	\$ 8,017	\$ 8,017	\$ 88,325	\$ 87,525
Plants and Buildings	172,294	125,581	897,306	868,726	1,069,600	994,307
Improvements other than buildings	126,308	114,570	49,250	47,189	175,558	161,759
Machinery, equipment and fixtures	157,298	153,167	46,223	45,006	203,521	198,173
Streets and drainage	616,858	572,774			616,858	572,774
Lease right-of-use assets	21,321	13,344	5,306	5,306	26,627	18,650
Subscription right-of-use assets (see note)	1,698	1,391			1,698	1,391
Construction in progress	301,333	339,080	227,455	216,977	528,788	556,057
Less accumulated depreciation and amortization	(538,517)	(507,766)	(527,755)	(500,717)	(1,066,272)	(1,008,483)
Total	<u>\$938,901</u>	<u>\$891,649</u>	<u>\$705,802</u>	<u>\$690,504</u>	<u>\$1,644,703</u>	<u>\$1,582,153</u>

Note: Prior year adjustments recorded in the current year have been reflected in the prior year column in the preceding table.

Additional information on the City's capital assets can be found in Notes to the Financial Statements Note 5 - Capital Assets on pages 63 - 66 of this report.

Long-term debt. At the end of year 2023, the City had total bonded debt outstanding of \$24,316,908 (net of unamortized premiums and discounts). In addition to bonded debt, the City also had outstanding notes of \$16,845,471, leases payable of \$16,002,658, subscriptions payable of \$202,596 and contractual obligations that secured bonds issued by certain public authorities (which are not part of the City entity) totaling \$222,638,125. All four types of debt obligations totaled

\$280,005,758. Of this amount, \$102,960,573 comprises debt backed by the full faith and credit of the City and \$177,045,185 represents debt secured by specified revenue sources.

The following table summarizes outstanding debt of the City as of the end of 2023 and 2022:

City of Savannah - Outstanding Debt (\$000)
(General obligation bonds, notes, revenue bonds, contractual obligations, leases and subscriptions)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
General obligation bonds	\$ 2,755	\$ 3,875	\$ -	\$ -	\$ 2,755	\$ 3,875
Revenue bonds			14,522	16,841	14,522	16,841
Contractual obligations	84,000	85,770	145,678	151,755	229,678	237,525
Notes			16,845	17,738	16,845	17,738
Leases payable	12,328	7,758	3,674	4,197	16,002	11,955
Subscriptions payable (see note)	203	428			203	428
Total	<u>\$ 99,286</u>	<u>\$ 97,831</u>	<u>\$ 180,719</u>	<u>\$ 190,531</u>	<u>\$ 280,005</u>	<u>\$ 288,362</u>

Note: Prior year adjustments recorded in the current year have been reflected in the prior year column in the preceding table.

As of the end of 2023, the City's total debt had decreased by \$8,356,156 when compared to the amount outstanding at the end of 2022. During 2023, the City issued \$2,565,000 in new debt through the Savannah Economic Development Authority. Proceeds of the issue were used for the construction of road and utility infrastructure at the Rockingham Farms warehouse development. In addition, certain debt amounts outstanding were reduced by the City meeting regularly scheduled debt service payments during 2023 that totaled \$18,568,114. As of yearend 2023, the City's general obligation credit rating is "AA+" by Standard & Poor's, and "Aa1" by Moody's. The credit rating assigned to water and sewer revenue debt of the City is "AA+" by Standard & Poor's, and "Aa1" by Moody's. These credit ratings are unchanged from 2022.

State statutes limit the amount of general obligation bonded debt a governmental entity may issue up to 10% of its total assessed valuation. The current debt limitation for the City is \$829,947,342. As of December 31, 2023, the City had outstanding general obligation bonded debt totaling \$2,755,000.

Additional information on the City's long-term debt can be found in the Notes to the Financial Statements Note 6 - Long-Term Liabilities on pages 67 - 76 of this report.

Economic Factors and Next Year's Budgets and Rates

Economic growth within the local economy is expected over the next few years with the recent announcement of the state's largest economic development project in history locating to the region. Hyundai's announcement that it will build an electric car manufacturing plant in neighboring Bryan County will infuse the region, including Savannah, with over 8,000 new jobs and billions in new construction. Demand for housing, healthcare, educational services and retail

trade will rise to meet the needs of these new workers and their families. With these new families will come the need for expanded government services to all areas of the City, but especially to the burgeoning southwest quadrant, which is expected to welcome 20,000 to 30,000 new residents over the coming years. This westward expansion of City services requires planned growth in police and fire services, including additional personnel and infrastructure such as buildings and equipment. The City's utilities will also see increased demand for water and sewer services for residential and industrial growth. These and other relevant factors were considered in preparing the budget for the 2024 fiscal year. Additional details regarding specific factors are:

- The unemployment rate for the Savannah as of the end of 2023 was 2.4% compared to 2.9% as of the end of 2022. The unemployment rate for Savannah as of December 2023 was lower than that of the State of Georgia as a whole (3.2%). The national average as of December 2023 was 3.7%.
- The City's property tax digest value increased by 12.6% in 2023 compared to a 12.6% increase in 2022 and has increased on average 8.1% over the past five years.
- Hotel/motel tax collections in 2023 were the highest on record and increased 12.5% in 2023 compared to 2022. This increase is indicative of the record number of visitors to Savannah post the COVID19 pandemic. In addition, the hotel/motel tax rate was increased from 6.0% to 8.0% during 2023. This increase will provide additional funding for the Savannah International Trade and Convention Center and also provide a dedicated funding source for tourism product development projects within the City.

All of these factors were considered in preparing the City of Savannah's budget for the 2024 fiscal year. The 2024 adopted budget is balanced and includes a tentative property tax millage rate of 12.20 mills, which is unchanged from the final millage for 2023. In addition, no draw on the City's general fund reserves was necessary in order to balance the 2024 adopted budget.

2024 rates for city utilities are increased from 2023. Water and sewer rates increased 3.76% on a combined bill for the average inside city customer, which equates to \$1.95 increase per month. Residential refuse rates, including curbside pickup and recycling services, increased by 3.0% going from \$37.70 per month in 2023 to \$38.83 per month in 2024.

Requests for Information

This financial report is designed to provide a general overview of the City of Savannah's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Chief Financial Officer, City of Savannah, Post Office Box 1027, Savannah, Georgia 31402.

CITY OF SAVANNAH, GEORGIA
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<u>ASSETS</u>			
Cash and investments	\$ 291,783,295	\$ 173,767,785	\$ 465,551,080
Receivables (net)	42,275,114	29,698,604	71,973,718
Leases receivable, due within one year	224,662	489,498	714,160
Notes receivable, due within one year		2,351,305	2,351,305
Internal balances	(183,996)	183,996	
Inventories	1,485,398	5,881	1,491,279
Restricted assets:			
Cash and investments	176,805,544	3,580,067	180,385,611
Accounts receivable	4,334,648	72,680	4,407,328
Notes receivable, due within one year	2,047,139		2,047,139
Notes receivable, long term	22,949,505		22,949,505
Property held for resale	140,683		140,683
Net OPEB asset	12,862,431	4,431,914	17,294,345
Leases receivable, long term	485,414	2,879,809	3,365,223
Notes receivable, long term		46,502,447	46,502,447
Capital assets:			
Land and construction in progress	381,640,672	235,471,476	617,112,148
Other capital assets, net of depreciation and amortization	557,260,735	470,330,049	1,027,590,784
Total assets	1,494,111,244	969,765,511	2,463,876,755
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred amounts from refunding of debt		147,929	147,929
Pension related deferred outflows	57,798,366	16,132,770	73,931,136
OPEB related deferred outflows	14,048,531	4,484,138	18,532,669
Total deferred outflows of resources	71,846,897	20,764,837	92,611,734
Total assets and deferred outflows of resources	\$ 1,565,958,141	\$ 990,530,348	\$ 2,556,488,489
<u>LIABILITIES</u>			
Accounts payable and accrued liabilities	\$ 19,357,580	\$ 9,890,672	\$ 29,248,252
Interest payable	716,996	2,035,434	2,752,430
Unearned lease revenue		4,000,000	4,000,000
Payable from restricted assets:			
Deposits	8,174,065	1,755,077	9,929,142
Interest payable		30,253	30,253
Unexpended grant proceeds	2,656,257		2,656,257
Current portion of debt payable		195,417	195,417
Long-term liabilities:			
Due within one year	25,493,809	11,045,580	36,539,389
Due in more than one year	108,996,148	190,629,523	299,625,671
Net pension liability due in more than one year	117,798,745	31,958,115	149,756,860
Total liabilities	283,193,600	251,540,071	534,733,671
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred revenue from program income	1,686,766		1,686,766
Deferred amounts from refunding of debt	28,186		28,186
Lease related deferred inflows	710,076	3,369,307	4,079,383
Pension related deferred inflows	576,763	1,895,005	2,471,768
OPEB related deferred inflows	19,607,101	6,426,649	26,033,750
Total deferred inflows of resources	22,608,892	11,690,961	34,299,853
<u>NET POSITION</u>			
Net investment in capital assets	882,149,652	560,963,629	1,443,113,281
Restricted for:			
Sales tax capital projects	154,185,614		154,185,614
Other capital projects	11,307,970		11,307,970
Community development	25,154,151		25,154,151
Economic development	406,220		406,220
Nonexpendable perpetual care	8,811,555		8,811,555
Debt service	1,060,746	1,672,000	2,732,746
Convention and tourism	2,541,497		2,541,497
Other grants	1,183,911		1,183,911
OPEB	12,862,431	4,431,914	17,294,345
Unrestricted	160,491,902	160,231,773	320,723,675
Total net position	1,260,155,649	727,299,316	1,987,454,965
Total liabilities, deferred inflows of resources and net position	\$ 1,565,958,141	\$ 990,530,348	\$ 2,556,488,489

**CITY OF SAVANNAH, GEORGIA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

FUNCTIONS/PROGRAMS	EXPENSES	INDIRECT COSTS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:								
Governance and strategic services	\$ 6,860,835	\$ -	\$ -	\$ -	\$ -	\$ (6,860,835)		\$ (6,860,835)
Municipal services	28,988,159	(5,719,565)	4,613,096			(18,655,498)		(18,655,498)
Infrastructure and development	73,637,947		2,381,983	470,018	65,934,391	(4,851,555)		(4,851,555)
Governmental operations	5,499,702					(5,499,702)		(5,499,702)
Police	71,738,629		4,346,587	1,847,312		(65,544,730)		(65,544,730)
Recorder's court	2,735,740		1,932,942			(802,798)		(802,798)
Fire	42,844,072	31,458	675,471	583,191		(41,616,868)		(41,616,868)
Parks and recreation	16,480,662		1,392,436	434,510		(14,653,716)		(14,653,716)
Tourism enhancement	22,178,910		2,293,807			(19,885,103)		(19,885,103)
Community services	14,090,047		7,540,162			(6,549,885)		(6,549,885)
Grant program and administration	6,854,073	57,868		5,654,447	97,965	(1,159,529)		(1,159,529)
Community development program and administration	12,281,759	475,798	1,165,195	6,887,246		(4,705,116)		(4,705,116)
Interest on long-term debt	2,087,862					(2,087,862)		(2,087,862)
Interest on capital leases	348,312					(348,312)		(348,312)
Total governmental activities	306,626,709	(5,154,441)	26,341,679	15,876,724	66,032,356	(193,221,509)		(193,221,509)
Business-type activities:								
Water and sewer	75,231,695	3,483,280	100,441,917		11,590,458		\$ 33,317,400	33,317,400
Sanitation	36,964,599	1,071,245	38,195,353				159,509	159,509
Parking facilities	18,470,256	455,459	20,342,833				1,417,118	1,417,118
Civic center	5,279,937	144,457	2,238,959				(3,185,435)	(3,185,435)
Golf course	374,932		100,678				(274,254)	(274,254)
Total business-type activities	136,321,419	5,154,441	161,319,740		11,590,458		31,434,338	31,434,338
Total	\$ 442,948,128	\$ -	\$ 187,661,419	\$ 15,876,724	\$ 77,622,814	(193,221,509)	31,434,338	(161,787,171)
General Revenues:								
Taxes:								
Property taxes						99,008,629		99,008,629
Intangible, transfer and franchise taxes						25,194,582		25,194,582
General sales taxes						66,530,739		66,530,739
Selective sales taxes						50,715,376		50,715,376
Business taxes						13,107,323		13,107,323
Penalties and interest on delinquent taxes						622,176		622,176
Grants and contributions not restricted to specific programs						6,323,534		6,323,534
Investment earnings, unrestricted						12,024,693	8,219,626	20,244,319
Gain on sale of capital assets						1,384,173		1,384,173
Miscellaneous revenue						1,576,696	1,327,433	2,904,129
Transfers						7,176,743	(7,176,743)	
Total general revenues and transfers						283,664,664	2,370,316	286,034,980
Change in net position						90,443,155	33,804,654	124,247,809
Net position, beginning						1,169,712,494	693,494,662	1,863,207,156
Net position, ending						\$ 1,260,155,649	\$ 727,299,316	\$ 1,987,454,965

The notes to the financial statements are an integral part of this statement.

**CITY OF SAVANNAH, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	<u>GENERAL</u>	<u>COMMUNITY DEVELOPMENT</u>	<u>HOTEL/MOTEL TAX</u>	<u>CAPITAL IMPROVEMENT</u>	<u>SPLOST 2020-2026</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<u>ASSETS</u>							
Cash and investments	\$ 179,847,977	\$ -	\$ -	\$ 27,547,429	\$ -	\$ 1,797,790	\$ 209,193,196
Receivables, net	20,426,216						20,426,216
Due from other funds	1,577,599			130,981,687		464,107	133,023,393
Due from other governments	10,603,555	1,535,375			7,625,717	1,714,296	21,478,943
Restricted assets:							
Cash and investments		341,116	1,718,243	765,254	92,926,787	81,054,144	176,805,544
Receivables, net		7,618	3,157,188	687,146		568,258	4,420,210
Special assessment receivable, net						121,679	121,679
Leases receivable	710,076						710,076
Notes receivable		24,973,002				23,643	24,996,645
Property held for resale						140,683	140,683
Total assets	<u>\$ 213,165,423</u>	<u>\$ 26,857,111</u>	<u>\$ 4,875,431</u>	<u>\$ 159,981,516</u>	<u>\$ 100,552,504</u>	<u>\$ 85,884,600</u>	<u>\$ 591,316,585</u>
<u>LIABILITIES</u>							
Accounts payable	\$ 5,254,737	\$ 1,893	\$ 3,227,379	\$ 2,980,384	\$ 2,518,001	\$ 1,039,941	\$ 15,022,335
Accrued liabilities	2,449,112						2,449,112
Due to other funds	130,981,687		1,648,052			577,650	133,207,389
Payable from restricted assets:							
Unexpended grant proceeds		1,869,419				786,838	2,656,257
Escrow deposits	8,846,910	14,301					8,861,211
Total liabilities	<u>147,532,446</u>	<u>1,885,613</u>	<u>4,875,431</u>	<u>2,980,384</u>	<u>2,518,001</u>	<u>2,404,429</u>	<u>162,196,304</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>							
Unavailable property taxes	7,035,970						7,035,970
Unavailable program income	171,084	24,971,498				401,949	25,544,531
Unavailable grant proceeds						511,836	511,836
Lease related deferred inflows	710,076						710,076
Total deferred inflows of resources	<u>7,917,130</u>	<u>24,971,498</u>				<u>913,785</u>	<u>33,802,413</u>
<u>FUND BALANCES</u>							
Nonspendable						8,811,555	8,811,555
Restricted				765,254	98,034,503	71,816,359	170,616,116
Committed	3,827,924			156,235,878		1,938,472	162,002,274
Unassigned	53,887,923						53,887,923
Total fund balance	<u>57,715,847</u>			<u>157,001,132</u>	<u>98,034,503</u>	<u>82,566,386</u>	<u>395,317,868</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 213,165,423</u>	<u>\$ 26,857,111</u>	<u>\$ 4,875,431</u>	<u>\$ 159,981,516</u>	<u>\$ 100,552,504</u>	<u>\$ 85,884,600</u>	<u>\$ 591,316,585</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF SAVANNAH, GEORGIA
RECONCILIATION OF THE BALANCE SHEET FOR GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2023**

Amounts reported for governmental activities on the Statement of Net Position (page 17) differs from the amount reported on the Balance Sheet for Governmental Funds because:

Total fund balances for Governmental Funds (page 19)	\$ 395,317,868
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	894,427,182
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the governmental fund financial statements.	51,663,033
Unavailable revenues are not available to pay for current-period expenditures and are not recognized as revenues at the fund level	31,405,571
Internal service funds are used by management to charge costs of fleet management, information services and risk management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	108,100,609
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	<u>(220,758,614)</u>
Net position of governmental activities (page 17)	<u><u>\$ 1,260,155,649</u></u>

CITY OF SAVANNAH, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	GENERAL	COMMUNITY DEVELOPMENT	HOTEL/MOTEL TAX	CAPITAL IMPROVEMENT	SPLOST 2020-2026	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:							
Property taxes	\$ 95,938,086	\$ -	\$ -	\$ -	\$ -	\$ 1,248,229	\$ 97,186,315
Intangible, transfer and franchise taxes	25,194,582						25,194,582
General sales tax	66,530,739						66,530,739
Selective sales taxes	8,411,288		39,101,327			3,202,761	50,715,376
Business taxes	13,107,323						13,107,323
Penalties and interest on delinquent taxes	622,176						622,176
Licenses and permits	2,818,105						2,818,105
Inspection fees	6,851,855						6,851,855
Intergovernmental revenue	6,758,044	6,886,911		1,713,746	46,536,566	10,095,701	71,990,968
Charges for services	4,928,662	1,803,493				3,080,669	9,812,824
Indirect cost allocations	6,545,592						6,545,592
Fines and forfeitures	4,370,408						4,370,408
Investment income	7,841,445	110,541		1,208,967	3,559,961	3,169,668	15,890,582
Miscellaneous revenue	2,728,914	31,444		987,441		240,356	3,988,155
Total revenues	252,647,219	8,832,389	39,101,327	3,910,154	50,096,527	21,037,384	375,625,000
EXPENDITURES:							
Current:							
Governance and strategic services	7,792,330						7,792,330
Municipal services	26,132,712						26,132,712
Governmental operations	4,094,020						4,094,020
Infrastructure and development	52,833,050			1,812,854			54,645,904
Police	63,538,842					336,975	63,875,817
Recorder's court	2,498,922					341,813	2,840,735
Fire	37,799,634					715,005	38,514,639
Parks and recreation	11,864,719						11,864,719
Tourism enhancement	1,376,985		18,314,374			1,852,047	21,543,406
Community services	12,755,169						12,755,169
Grant program and administration						6,418,971	6,418,971
Community development program and administration		10,345,735				382,258	10,727,993
Debt Service:							
Principal	1,291,172				1,120,000	4,165,902	6,577,074
Interest and fiscal charges	137,085			1,047,218	96,003	1,548,518	2,828,824
Bond issuance costs				62,500			62,500
Capital outlay				33,241,720			33,241,720
Capital outlay - SPLOST funded					13,523,490	8,066,602	21,590,092
Total expenditures	222,114,640	10,345,735	18,314,374	36,164,292	14,739,493	23,828,091	325,506,625
Excess (deficiency) of revenues over (under) expenditures	30,532,579	(1,513,346)	20,786,953	(32,254,138)	35,357,034	(2,790,707)	50,118,375
OTHER FINANCING SOURCES (USES):							
Transfers in	24,834,720	1,513,346		46,309,609		7,727,677	80,385,352
Transfers out	(53,348,377)		(20,786,953)			(3,697,389)	(77,832,719)
Debt issuance	2,417,898			2,565,000		98,127	5,081,025
Sale of capital assets	303,915						303,915
Total other financing sources (uses)	(25,791,844)	1,513,346	(20,786,953)	48,874,609		4,128,415	7,937,573
Net change in fund balances	4,740,735			16,620,471	35,357,034	1,337,708	58,055,948
Fund balances, beginning of year	52,975,112			140,380,661	62,677,469	81,228,678	337,261,920
Fund balances, end of year	\$ 57,715,847	\$ -	\$ -	\$ 157,001,132	\$ 98,034,503	\$ 82,566,386	\$ 395,317,868

**CITY OF SAVANNAH, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

Amounts reported for governmental activities in the Statement of Activities (page 18) are different because:

Net change in fund balances - total governmental funds (page 21)	\$ 58,055,948
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 and reported as depreciation or amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization expense in the current period.	34,209,270
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.	7,001,800
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	287,587
The issuance of long-term debt (e.g., bonds, leases) 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. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	2,026,055
Some revenues/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.	(6,757,827)
Internal service funds are used by management to charge costs of fleet management, information services, and risk management to individual funds.	(9,057,276)
The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>4,677,598</u>
Change in net position of governmental activities (page 18)	<u><u>\$ 90,443,155</u></u>

**CITY OF SAVANNAH, GEORGIA
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2023**

	ENTERPRISE FUNDS						
	WATER AND SEWER	SANITATION	PARKING SERVICES	CIVIC CENTER	NONMAJOR ENTERPRISE FUNDS	TOTALS	INTERNAL SERVICE FUNDS
<u>ASSETS</u>							
Current assets:							
Cash and investments	\$ 134,932,273	\$ 12,586,266	\$ 24,163,390	\$ 1,797,477	\$ 288,379	\$ 173,767,785	\$ 82,590,099
Receivables, net	20,955,566	7,623,681	118,507	1,000,850		29,698,604	849,859
Due from other funds				183,996		183,996	
Lease receivable				489,498		489,498	
Note receivable			2,351,305			2,351,305	
Inventories				5,881		5,881	1,485,398
Total current assets	155,887,839	20,209,947	26,633,202	3,477,702	288,379	206,497,069	84,925,356
Noncurrent assets:							
Restricted assets:							
Cash and investments	3,521,981			58,086		3,580,067	
Accounts receivable				72,680		72,680	
Net OPEB asset	2,348,914	1,595,489	443,191	44,320		4,431,914	
Lease receivable				2,879,809		2,879,809	
Note receivable			46,502,447			46,502,447	
Capital assets:							
Land	3,089,210	1,910,772	817,709	606,537	1,592,559	8,016,787	
Plant, buildings, stations, reservoirs, etc	746,454,489	1,455,453	127,492,830	20,388,267	1,514,735	897,305,774	2,479,758
Improvements, other than buildings		30,254,168	9,541,684	2,084,288	7,370,205	49,250,345	610,615
Machinery and equipment	10,318,030	23,456,133	8,546,573	2,398,611	54,443	44,773,790	115,036,754
Lease and subscription right-of-use assets			5,305,893			5,305,893	13,190,126
Other capital assets				1,431,496	17,794	1,449,290	
Less accumulated depreciation and amortization	(400,955,379)	(48,091,697)	(50,194,349)	(22,962,423)	(5,551,195)	(527,755,043)	(86,843,028)
Construction in progress	126,262,432	35,561,447	9,491,462	56,139,348		227,454,689	
Total noncurrent assets	491,039,677	46,141,765	157,947,440	63,141,019	4,998,541	763,268,442	44,474,225
Total assets	646,927,516	66,351,712	184,580,642	66,618,721	5,286,920	969,765,511	129,399,581
<u>DEFERRED OUTFLOWS OF RESOURCES</u>							
Deferred amounts from refunding of debt	70,352		77,577			147,929	
Pension related deferred outflows	9,227,111	5,159,179	1,417,957	328,523		16,132,770	
OPEB related deferred outflows	2,376,593	1,614,290	448,414	44,841		4,484,138	
Total deferred outflows of resources	11,674,056	6,773,469	1,943,948	373,364		20,764,837	
Total assets and deferred outflows of resources	\$ 658,601,572	\$ 73,125,181	\$ 186,524,590	\$ 66,992,085	\$ 5,286,920	\$ 990,530,348	\$ 129,399,581
<u>LIABILITIES</u>							
Current liabilities:							
Payable from restricted assets:							
Customer deposits	\$ 1,624,311	\$ -	\$ -	\$ 130,766	\$ -	\$ 1,755,077	\$ -
Interest payable	30,253					30,253	
Current portion of bonds payable	195,417					195,417	
Accounts payable	7,614,197	1,132,894	586,492	557,089		9,890,672	1,886,133
Interest payable	14,459	86,827	1,386,072	548,076		2,035,434	
Unearned lease revenue				4,000,000		4,000,000	
Current obligation under leases and subscriptions			526,958			526,958	2,476,361
Current portion of contractual obligations			4,460,000	620,000		5,080,000	
Current portion of notes and bonds payable	3,051,343	1,090,000				4,141,343	
Current portion of compensated absences	757,793	380,384	128,540	30,562		1,297,279	223,658
Current portion of claims and judgments payable							6,880,538
Total current liabilities	13,287,773	2,690,105	7,088,062	5,886,493		28,952,433	11,466,690
Noncurrent liabilities:							
Obligations under leases and subscriptions			3,147,325			3,147,325	6,558,891
Contractual obligations, net			91,024,927	42,532,880		133,557,807	
Notes payable	15,943,710					15,943,710	
Revenue bonds payable, net	12,176,908	5,950,000				18,126,908	
Compensated absences	1,388,941	914,140	159,559	46,094		2,508,734	315,490
Accrued landfill closure costs		17,345,039				17,345,039	
Claims and judgments							2,957,901
Net pension liability due in more than one year	18,104,879	10,466,042	3,001,348	385,846		31,958,115	
Total noncurrent liabilities	47,614,438	34,675,221	97,333,159	42,964,820		222,587,638	9,832,282
Total liabilities	60,902,211	37,365,326	104,421,221	48,851,313		251,540,071	21,298,972
<u>DEFERRED INFLOWS OF RESOURCES</u>							
Lease related deferred inflows				3,369,307		3,369,307	
Pension related deferred inflows	1,134,014	218,185	165,760	377,046		1,895,005	
OPEB related deferred inflows	3,406,124	2,313,594	642,665	64,266		6,426,649	
Total deferred inflows of resources	4,540,138	2,531,779	808,425	3,810,619		11,690,961	
<u>NET POSITION</u>							
Net investment in capital assets	448,882,620	37,192,864	52,958,564	16,931,040	4,998,541	560,963,629	34,803,677
Restricted for:							
Debt service	1,672,000					1,672,000	
OPEB	2,348,914	1,595,489	443,191	44,320		4,431,914	
Unrestricted	140,255,689	(5,560,277)	27,893,189	(2,645,207)	288,379	160,231,773	73,296,932
Total net position	593,159,223	33,228,076	81,294,944	14,330,153	5,286,920	727,299,316	108,100,609
Total liabilities, deferred inflows of resources and net position	\$ 658,601,572	\$ 73,125,181	\$ 186,524,590	\$ 66,992,085	\$ 5,286,920	\$ 990,530,348	\$ 129,399,581

The notes to the financial statements are an integral part of this statement.

CITY OF SAVANNAH, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2023

	ENTERPRISE FUNDS						INTERNAL
	WATER AND SEWER	SANITATION	PARKING SERVICES	CIVIC CENTER	NONMAJOR ENTERPRISE FUNDS	TOTALS	SERVICE FUNDS
OPERATING REVENUES:							
Metered sales	\$ 74,563,553	\$ -	\$ -	\$ -	\$ -	\$ 74,563,553	\$ -
Charges for services	25,726,168	38,195,353				63,921,521	33,795,398
Rental fees	152,196		20,342,833	1,739,927	100,678	22,335,634	
Recreation fees				499,032		499,032	
Risk management fees							33,731,306
Miscellaneous	199,880	915,186	212,367			1,327,433	
Total operating revenues	100,641,797	39,110,539	20,555,200	2,238,959	100,678	162,647,173	67,526,704
OPERATING EXPENSES:							
Personal services	22,011,782	14,723,100	3,191,497	691,983		40,618,362	
Contractual services	19,586,769	11,713,157	6,657,218	2,047,483	100,678	40,105,305	
Commodities	8,681,287	2,987,362	324,708	60,255		12,053,612	
Internal service	7,343,809	5,358,981	1,015,974	645,153		14,363,917	
Landfill closure and post closure care		1,672,803				1,672,803	
Depreciation and amortization	20,515,418	1,353,841	4,358,202	685,664	274,254	27,187,379	10,122,729
Central garage							9,754,082
Information services							12,208,268
Risk management							44,498,901
Total operating expenses	78,139,065	37,809,244	15,547,599	4,130,538	374,932	136,001,378	76,583,980
Operating Income (Loss)	22,502,732	1,301,295	5,007,601	(1,891,579)	(274,254)	26,645,795	(9,057,276)
NONOPERATING REVENUES (EXPENSES):							
Interest earned	6,362,480	578,495	1,183,390	82,355	12,906	8,219,626	3,774,612
Interest expense	(580,074)	(226,600)	(3,450,050)	(1,325,883)		(5,582,607)	(178,273)
Gain (loss) on disposal of assets	(10,000,000)	(1,000,000)				(11,000,000)	1,080,258
Amortization	4,164		71,934	32,027		108,125	
Total nonoperating revenues (expenses)	(4,213,430)	(648,105)	(2,194,726)	(1,211,501)	12,906	(8,254,856)	4,676,597
Income (loss) before contributions and transfers	18,289,302	653,190	2,812,875	(3,103,080)	(261,348)	18,390,939	(4,380,679)
CAPITAL CONTRIBUTIONS	11,590,458		6,376,891			17,967,349	
TRANSFERS IN	417,500	8,052		4,112,318		4,537,870	1,001
TRANSFERS OUT	(5,800,794)	(1,290,710)				(7,091,504)	
Change in net position	24,496,466	(629,468)	9,189,766	1,009,238	(261,348)	33,804,654	(4,379,678)
Total net position - beginning	568,662,757	33,857,544	72,105,178	13,320,915	5,548,268	693,494,662	112,480,287
Total net position - ending	\$ 593,159,223	\$ 33,228,076	\$ 81,294,944	\$ 14,330,153	\$ 5,286,920	\$ 727,299,316	\$ 108,100,609

The notes to the financial statements are an integral part of this statement.

CITY OF SAVANNAH, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2023

	ENTERPRISE FUNDS						INTERNAL SERVICE FUNDS
	WATER AND SEWER	SANITATION	PARKING SERVICES	CIVIC CENTER	NONMAJOR ENTERPRISE FUNDS	TOTALS	
CASH FLOWS FROM OPERATING ACTIVITIES:							
Cash received from customers	\$ 100,220,276	\$ 39,110,539	\$ 22,868,111	\$ 2,078,787	\$ 100,678	\$ 164,378,391	\$ -
Cash received from other funds for services							33,795,398
Cash received for services and fees							33,731,306
Cash paid to suppliers	(34,362,984)	(22,299,963)	(8,767,654)	(3,221,614)	(100,678)	(68,752,893)	(23,675,451)
Cash paid to employees	(20,735,439)	(14,310,958)	(3,115,757)	(818,989)		(38,981,143)	
Cash paid for supplies and insurance							(40,989,930)
Net cash provided (used) by operating activities	45,121,853	2,499,618	10,984,700	(1,961,816)	-	56,644,355	2,861,323
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES:							
Transfers in	417,500	8,052		4,112,318		4,537,870	1,001
Transfers out	(5,800,794)	(1,290,710)				(7,091,504)	
Net cash provided (used) by non capital financing activities	(5,383,294)	(1,282,658)		4,112,318		(2,553,634)	1,001
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:							
Principal paid on long-term debt	(3,182,523)	(1,055,000)	(4,823,244)	(600,000)		(9,660,767)	(2,326,266)
Interest paid	(585,608)	(239,611)	(3,512,167)	(1,333,384)		(5,670,770)	(178,273)
Sale of equipment	6,851					6,851	1,080,258
Acquisition and construction of capital assets	(34,242,804)	(884,121)	(247,921)	(149,573)		(35,524,419)	(10,362,131)
Net cash used by capital and related financing activities	(38,004,084)	(2,178,732)	(8,583,332)	(2,082,957)		(50,849,105)	(11,786,412)
CASH FLOWS FROM INVESTING ACTIVITIES:							
Investment income	6,362,480	578,495	1,183,390	82,355	12,906	8,219,626	3,774,612
Net cash provided by investing activities	6,362,480	578,495	1,183,390	82,355	12,906	8,219,626	3,774,612
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	8,096,955	(383,277)	3,584,758	149,900	12,906	11,461,242	(5,149,476)
CASH AND CASH EQUIVALENTS, JANUARY 1 (INCLUDING RESTRICTED ACCOUNTS OF \$5,314,708 IN 2022)	130,357,299	12,969,543	20,578,632	1,705,663	275,473	165,886,610	87,739,575
CASH AND CASH EQUIVALENTS, DECEMBER 31 (INCLUDING RESTRICTED ACCOUNTS OF \$3,580,067 IN 2023)	<u>\$ 138,454,254</u>	<u>\$ 12,586,266</u>	<u>\$ 24,163,390</u>	<u>\$ 1,855,563</u>	<u>\$ 288,379</u>	<u>\$ 177,347,852</u>	<u>\$ 82,590,099</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:							
Operating income (loss)	\$ 22,502,732	\$ 1,301,295	\$ 5,007,601	\$ (1,891,579)	\$ (274,254)	\$ 26,645,795	\$ (9,057,276)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation and amortization	20,515,418	1,353,841	4,358,202	685,664	274,254	27,187,379	10,122,729
Change in assets and liabilities:							
(Increase) decrease in receivables	(387,653)	(694,426)	2,298,184	(518,953)		697,152	(2,319)
(Increase) decrease in prepaid items and inventories				(5,881)		(5,881)	157,902
Increase (decrease) in accounts and other payables	1,646,939	295,697	(702,926)	(85,543)		1,154,167	(2,052,633)
(Decrease) in net pension liability and OPEB asset	844,417	243,211	23,639	(145,524)		965,743	
(Decrease) in claims and judgments payable							3,692,920
Net cash provided (used) by operating activities	<u>\$ 45,121,853</u>	<u>\$ 2,499,618</u>	<u>\$ 10,984,700</u>	<u>\$ (1,961,816)</u>	<u>\$ -</u>	<u>\$ 56,644,355</u>	<u>\$ 2,861,323</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:							
Contributions of capital assets from developers/other entities	\$ 11,590,458	\$ -	\$ 6,376,891	\$ -	\$ -	\$ 17,967,349	\$ -
Leases and SBITAs							5,805,818

The notes to the financial statements are an integral part of this statement.

**CITY OF SAVANNAH, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2023**

	PENSION (AND OTHER EMPLOYEE BENEFITS) TRUST FUNDS	CUSTODIAL FUNDS
<u>ASSETS</u>		
Cash and cash equivalents	\$ 8,033,034	\$ 639,146
Accrued income	759,469	
Accounts receivable:		
From employer	15,069	
From participants	142,434	
Investments, at fair value:		
U.S. government obligations	108,095,843	
Foreign corporate bonds	831,864	
Domestic corporate bonds	46,079,043	
Domestic equities	246,280,293	
International equities	81,457,774	
Real estate fund	57,945,434	
Total investments	<u>540,690,251</u>	
Total assets	<u>549,640,257</u>	<u>639,146</u>
<u>LIABILITIES AND NET POSITION</u>		
Liabilities:		
Accounts payable	<u>466,538</u>	<u>320,638</u>
Total liabilities	<u>466,538</u>	<u>320,638</u>
Net position:		
Restricted for:		
Pensions	444,757,275	
Post employment benefits other than pensions	104,416,444	
Individuals		318,508
Total net position	<u>\$ 549,173,719</u>	<u>\$ 318,508</u>

The notes to the financial statements are an integral part of this statement.

CITY OF SAVANNAH, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2023

	PENSION (AND OTHER EMPLOYEE BENEFITS) TRUST FUNDS	CUSTODIAL FUNDS
ADDITIONS		
Contributions		
Employer	\$ 13,129,887	\$ -
Plan members	11,017,480	657,468
Fines and forfeitures collected for other governments		4,336,157
Total contributions	<u>24,147,367</u>	<u>4,993,625</u>
Investment income		
Interest	3,732,654	
Dividends	2,252,868	
Real estate net loss	(6,815,473)	
Net appreciation in fair value of investments	<u>61,976,224</u>	
Total investment income	61,146,273	
Less investment expense	<u>2,457,018</u>	
Net investment income	<u>58,689,255</u>	
Total additions	<u>82,836,622</u>	<u>4,993,625</u>
DEDUCTIONS		
Benefits	43,484,180	632,173
Refunds of contributions	1,844,993	
Payments of fines and forfeitures to other governments		4,336,157
Administrative expense	<u>601,471</u>	<u>22,056</u>
Total deductions	<u>45,930,644</u>	<u>4,990,386</u>
Change in net position	36,905,978	3,239
Net position:		
Beginning of year - January 1	<u>512,267,741</u>	<u>315,269</u>
End of year - December 31	<u>\$ 549,173,719</u>	<u>\$ 318,508</u>

The notes to the financial statements are an integral part of this statement.

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

NOTES TO THE FINANCIAL STATEMENTS

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CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Savannah, incorporated in 1789, operates under a Council-Manager form of government. The City's major functions include police protection, fire protection, sanitation services, economic development programs, recreation programs, water and sewer services, and street, traffic and drainage maintenance.

The accompanying financial statements report on the financial activity for the City of Savannah, Georgia for the year ended December 31, 2023. They include all the activities controlled by the Mayor and Aldermen of Savannah, Georgia. The financial statements have been prepared in conformance with generally accepted accounting principles (GAAP) as applied to government units. This summary of the City of Savannah's more significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented herein, should be viewed as an integral part of the accompanying financial statements.

(A) Reporting Entity

In June 1992, the Governmental Accounting Standards Board issued Statement No. 14: *The Financial Reporting Entity*, as amended by statements No. 39, 61, 80, 84 and 90. In accordance with this Statement, the City herein presents those entities that comprise the primary government along with its component units, entities for which the City is considered to be financially accountable. The City's reporting entity consists of the City of Savannah and the Resource Recovery Development Authority.

Blended component units, although legally separate entities are, in substance, part of the City's operations and data from these units are combined with the data of the City of Savannah. The Resource Recovery Development Authority ("Authority") is a blended component unit of the City of Savannah as it provides services entirely to the City of Savannah. The Authority is controlled and managed by a board of five members appointed by the Mayor and Aldermen of the City. Under the Resource Recovery Development Authorities Law, Chapter 63 of Title 36 of the Official Code of Georgia Annotated, the Authority is empowered to issue revenue bonds. The revenue bonds are secured by a waste disposal contract between the City and the Authority. This contract constitutes a legal obligation of the City. The Authority has a December 31 year-end and is presented as a blended component unit classified as an enterprise fund. A separate financial report has not been issued for the Authority.

Discretely presented component units, on the other hand, are separate legal entities that meet the component unit criteria but do not meet the criteria for blending. They are reported in a separate column in the basic financial statements to emphasize that they are legally separate. The City has no discretely presented component units.

Under Georgia law, the City, in conjunction with other cities and counties in the coastal Georgia area, is a member of the Coastal Regional Commission (CRC), and is required to pay annual dues thereto. Membership in a CRC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the CRC in Georgia. The CRC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the RDC. Separate financial statements may be obtained from: Coastal Regional Commission of Georgia, 1181 Coastal Drive, Darien, GA 31305.

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The Downtown Savannah Authority (DSA) is composed of a board of five members selected by the City Council, and one non-voting member selected by the City's delegation in the Georgia General Assembly. The City's accountability for the DSA does not extend beyond making the appointments, and, accordingly, the DSA is not considered a part of the City entity for financial reporting purposes. The City has contractual obligations with the DSA relating to various bond issues which funded capital projects of the City. Under the contracts, the City is obligated to make payments sufficient to pay principal and interest on the bonds when due. These contractual obligations are described in Note 6 - Long-Term Liabilities.

Two other local development authorities, the Development Authority for the City of Savannah and the Downtown Development Authority for the City of Savannah, currently exist; however, these authorities are not active.

The Housing Authority of Savannah, created by an act of the Georgia legislature, is not a part of the City's reporting entity. While the Mayor of Savannah appoints a voting majority of commissioners for the Housing Authority of Savannah, the commissioners cannot be city or county employees or officers. Thus, the City cannot impose its will on the Housing Authority, nor does the City provide financial support to the Housing Authority as the Authority derives its revenues from federal funds and resident rents.

The Savannah Airport Commission was established to administer the improvement, maintenance and operation of the Savannah Airport and to provide services to airlines and airline-related businesses in the area. The commission is a municipal corporation created under the Savannah City Code and governed by five members who are appointed by the Mayor and Aldermen of the City of Savannah. The City has no other participation in the operation of the Commission. Accordingly, the commission has not been included in the reporting entity.

(B) Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus. However, in the fund financial statements, the measurement focus differs by fund types:

- All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present sources/increases (i.e., revenues and other financing sources) and uses/decreases (i.e., expenditures and other financing uses) of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- All proprietary funds utilize a flow of economic resources measurement focus. All assets and liabilities associated with the operation of these funds are included on the balance sheet using this measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flow. Proprietary fund equity is classified as net position. Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total position.

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

- All fiduciary funds utilize the flow of economic resources measurement focus.

In the government-wide Statement of Net Position, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized as soon as they are earned, and expenses are recognized when the liability is incurred, or the economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange occurs.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period when they become “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within 30 days after year end and available to pay obligations of the current period. Franchise fees are considered available if collectible within 90 days after year end. Revenues considered susceptible to accrual are franchise fees, sales taxes, property taxes, charges for services, grants, and investment income. In applying the “susceptible to accrual” concept to intergovernmental revenues, the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met should, under most circumstances, be reported as deferred outflows of resources by the provider and a liability by the recipient. Expenditures, including capital outlay, are recognized in the accounting period in which the related fund liability is incurred, except for unmatured interest on long-term debt and certain similar accrued obligations, which are recognized when due.

All proprietary and fiduciary funds are accounted for on the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when incurred or the economic asset used.

Differences exist between the governmental activities columns reported in the government-wide statements and the corresponding total columns reported in the fund financial statements. The differences are the result of the use of the two different measurement focuses between these statements.

As stated above, the government-wide statements present governmental activities on the economic resources measurement focus while the fund financial statements present governmental funds on the current financial resources measurement focus. Additional detailed information about the reconciling items can be found in Note 2 – Reconciliation of Government-wide and Fund Financial Statements.

(C) Basis of Presentation

Government-wide Financial Statements – The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Statement of Activities shows an allocation of indirect expenses to different functions of the City. These expenses are allocated based upon different allocation criteria within the function such as square footage, number of FTEs, etc. and strive to approximate the value of indirect services being provided to the functions.

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Fund Financial Statements – Fund financial statements reflect the activities of the City's individual funds. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City (General Fund) or meets the following criteria:

- a. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City exclusively follows the standards set forth by the GASB and has implemented accounting standards applicable to the period covered by these statements.

As a general rule, the effects of internal activity have been eliminated from the government-wide statements. Amounts charged through the City's indirect cost allocation plan are broken out in a separate column on the Statement of Activities. Where internal activity is representative of an interfund service provided and used, no elimination has been made. Internal activities have not been eliminated from the fund financial statements.

Program revenues are derived directly from a particular program or from parties outside the City's taxpayers or citizenry. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than program revenues. All taxes are included in general revenues.

In proprietary funds, operating revenues and expenses result from the provision of goods and/or services as well as the production and delivery of goods and/or services. Nonoperating revenues and expenses would include all revenues and expenses related to capital and related financing and contributions, noncapital financing, taxes, or investment activities.

(D) Columnar Headings and Description of Funds

The City uses funds to report financial position and the results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Funds shown in the basic financial statements are described below:

(1) Major Governmental Funds

The City's major governmental funds are the General Fund, the Community Development Fund, Hotel/Motel Tax fund, Capital Improvement Fund, and the SPLOST 2020-2026 Fund.

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

- (a) General Fund - The General Fund is the primary operating fund of the City and is always classified as a major fund. It is used to account for all financial resources not accounted for in other funds.
- (b) Community Development Fund - The Community Development Fund accounts for revenues received from the Department of Housing and Urban Development under the Community Development Block Grant Program. All revenues received by this fund are used in implementing the Community Development program.
- (c) Hotel/motel Tax Fund – The Hotel/motel Tax Fund is used to account for the proceeds and uses of a selective sales tax applied to occupied hotel and motel rooms throughout the City. This sales tax is applied to the taxable charges for the room and collected by merchants who then remit the taxes to the City Treasurer.
- (d) Capital Improvement Fund – The Capital Improvement Fund accounts for financial resources to be used for construction or acquisition of major capital projects. Projects accounted for in this fund are typically funded with local resources and bond proceeds.
- (e) SPLOST 2020 – 2026 Fund – This fund accounts for special purpose local option sales tax resources provided to the City by Chatham County in accordance with a 2019 Special Purpose Local Option Sales Tax referendum, which was passed on a county-wide basis. The current SPLOST commenced on October 1, 2020 and expires on September 30, 2026. These funds are used by the City to design and construct major capital improvements that will benefit the entire county. Projects include streets, drainage improvements, public buildings and other community development.

(2) Major Proprietary Funds

The major Proprietary funds of the City are the Water and Sewer Fund, the Sanitation Fund, Parking Services Fund and the Civic Center Fund.

- (a) Water and Sewer Fund - The Water and Sewer Fund accounts for the operations of the water and sewer systems of the City and includes the operations of the Industrial and Domestic Water Supply Fund. The system supplies water and sewer service to area residents and to industrial and commercial users along the Savannah River.
- (b) Sanitation Fund - The Sanitation Fund accounts for the operation of the sanitation bureau of the City. The bureau supplies refuse pick-up service to commercial and residential customers in the area.
- (c) Parking Services Fund – The Parking Services Fund accounts for the operation of the Parking Services Department of the City. The Department supplies public parking facilities such as garages and on street parking meter enforcement.
- (d) Civic Center Fund – The Civic Center Fund accounts for the operations of the Savannah Civic Center and the new Enmarket Arena constructed at Stiles Avenue and Gwinnett Avenue on the west side of downtown Savannah.

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(3) Other Reported Fund Types

- (a) Internal Service Funds – The Internal Service Funds account for goods and services, provided by one department to other departments on a cost-reimbursement basis. In addition, certain services are supplied to outside agencies for a fee; however, City departments are the predominant customers. The City accounts for its data processing, vehicle maintenance, and risk management functions in internal service funds.
- (b) Fiduciary Funds – The Fiduciary Funds are used to account for assets held by the City in a trustee capacity or as an agent for others. The pension trust funds account for the assets and liabilities of the City of Savannah Employees' Retirement Plan and the City's Old Pension Trust Fund. The OPEB Trust Fund accounts for the assets and liabilities of the City of Savannah Employees' Post-Employment Benefits Plan. The custodial funds report: 1) the Recorder's Court Fund, used to account for bail bonds posted in Recorder's Court as well as various fines and forfeitures of other governmental agencies and, 2) the Flexible Benefits Plan Fund, which accounts for the Section 125 Flexible Benefits Plan administered by the City for its employees.

The City has other funds that are not considered major. They are described in the supplementary information.

(E) Cash and Cash Equivalents

Cash, except for that which must remain segregated due to bond restrictions or federal regulations, is pooled and invested. Interest earned by the pooled cash is allocated to each of the funds based on each fund's average equity balance during the month. Funds that incur a negative balance in the pooled cash during the month are charged for interest. Investments are stated at fair value based on quoted market prices.

The City considers currency-on-hand, demand deposits with banks, amounts included in pooled cash and investment accounts to be cash and cash equivalents. Cash equivalents are readily convertible to known amounts of cash, and at the day of purchase, they mature in three months or less.

For the purposes of the proprietary fund Statement of Cash Flows, all short-term investments that are highly liquid are considered cash equivalents.

(F) Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Receivables are shown net of related allowance accounts. Allowances for uncollectible accounts are based upon an aging of the receivable balance. Major receivable balances for the governmental activities include property taxes, sales taxes, franchise fees and grants. Within business-type activities, the largest portion of the receivables results from water and sewer billing activity.

(G) Interfund Receivables and Payables

During the course of operations, transactions may occur between individual funds that result in amounts owed between funds. Activity that is representative of lending/borrowing arrangements outstanding at the end of the fiscal period is referred to as either "due to/from other funds." Short-term

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

interfund loans are reported as “interfund receivables and payables.” Long-term interfund loans (non-current portion) are reported as “advances to/from other funds.” Interfund receivables and payables between the same fund type, i.e. within governmental activities or within business-type activities, are eliminated on the Statement of Net Position. Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide statements as “internal balances.”

(H) Inventories

Inventories are determined by actual physical count and are stated at cost determined on a first-in, first-out method. The cost of inventory items is charged to expense when used.

(I) Prepaid Items

Prepaid items represent payments that the City has made for services in anticipation of future period expenses.

(J) Restricted Assets & Flow Assumption for Restricted Resources

Restricted asset amounts shown on the Statement of Net Position are separated from other assets because of contractual agreements, legislative provisions or bond covenants limiting their use. The restricted assets shown originate from a variety of sources including: i) customer deposits, ii) escrow deposits, iii) resources set aside by legislation for SPLOST (special purpose local option sales tax) projects, tourism product development or court technology projects, iv) resources set aside under grant agreements, v) street paving assessments receivables, the collection of which is used to pay debt service on paving assessment bonds, vi) net OPEB asset amounts, and vii) resources held for perpetual care. Certain proceeds of enterprise fund revenue bonds as well as resources set aside for their repayment are shown as restricted.

When both restricted and unrestricted assets are available for certain uses, the City follows the policy of utilizing restricted resources prior to applying unrestricted resources.

(K) Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (such as roads, bridges and sidewalks) and right to use assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial cost of \$5,000 or more, and an estimated life of more than one year. Capital assets have been recorded at cost, if purchased, and if donated, at acquisition value on the date of donation. Depreciation and amortization are calculated on the straight-line basis, with one-half year's depreciation and amortization recorded in the year of acquisition and one-half year's depreciation and amortization recorded in the year of disposal. Major improvements that extend the life of an asset are capitalized. Normal maintenance and repairs are charged to expense as incurred.

Prior to 1975, adequate records were not maintained to properly account for capital assets. The assets were recorded at appraised values as of December 31, 1974. The appraised values were based upon market values and historical cost data when available. Assets acquired since 1975 have

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

been recorded at cost. Infrastructure capital assets acquired by the City, such as streets and drainage, have been capitalized since 1977, additional infrastructure assets, which were acquired by the City through donations, have been capitalized in accordance with GASB 34. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value.

Construction in progress is the total actual cost incurred to date on uncompleted construction projects. Assets used in the City's landfill operation are depreciated based on the depletion method as available capacity at the site is utilized. Other capital assets and right to use assets of the City are depreciated/amortized using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
Buildings (including right-to-use buildings)	1 – 40
Right-to-use software and technology	1 – 10
Building improvements	5 – 40
Public domain infrastructure	5 – 50
Vehicles (including right-to-use leased vehicles)	3 – 15
Machinery and Equipment	3 – 20

Fully depreciated/amortized assets still in service are carried in the capital asset accounts.

(L) Leases

Lessee. The City of Savannah is a lessee for several building and equipment leases. The City recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of the lease, the City initially measures the lease liability at the present value of payments expected to be made during the term of the lease. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized over the shorter of the lease term or the useful life of the underlying asset unless the lease contains a purchase option that the City has determined is reasonably certain will be exercised, in which case the lease asset is amortized over the useful life of the underlying asset.

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

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated borrowing rate as the discount rate for leases.

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the City is reasonably certain to exercise.

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

Governmental funds recognize periodic payments on leases as expenditures in the period incurred. Governmental funds are also recording other financing sources and capital outlay expenditures for the net present value of the minimum lease payments. This applies in the initial year of the lease term only.

Proprietary funds, fiduciary funds, component units using the accrual basis, and the government-wide financial statements are reporting capital assets as well as long and short-term payables on the statement of net position. Therefore, for leases, an intangible right-to-use asset and lease obligation are recorded at inception of the lease and period lease payments are recorded as interest expense and a reduction to the lease obligation. Additionally, amortization expense related to the leased intangible right-to-use assets is recorded. Principal amounts of lease payments due within 12 months are recorded as a current liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor. The City is a lessor for non-cancelable leases of land and land improvements, buildings, and equipment. Rental income arising from leases as a lessor is included as a receivable and deferred inflow of resources at the commencement of the lease and revenue is recognized on a straight-line basis over the lease term.

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 receivables are reduced by the principal portion of lease payments received. The deferred inflow of resources for deferred lease receipts is initially measured as the initial amount of the lease receivable, adjusted for lease payments made at or before the lease commencement date, less certain costs paid to or reimbursed to the lessee.

Key estimates and judgements include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts:

- The City uses an estimated incremental borrowing rate approximating market rates as the discount rate for leases, unless specifically identified in the lease.
- The lease terms include the non-cancelable periods of the leases. Lease receipts included in the measurement of the lease receivables are composed of fixed payments the City will receive over the lease term.
- The City monitors changes in circumstances that would require a remeasurement of its leases, and will remeasure the lease receivables and deferred inflows of resources if certain changes occur that are expected to significantly affect the amounts of the lease receivables.

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(M) Subscription Based Information Technology Arrangements

SBITA assets are defined by the general government as the right to use vendor-provided information technology ("IT") with access to vendors' IT assets. The City recognizes a subscription liability and an intangible subscription right-of-use asset at the beginning of the subscription term when the subscription term exceeds one year unless the contract is considered a short-term SBITA. A SBITA asset is measured based on the net present value of subscription payments expected to be made during the subscription term, using the incremental borrowing rate, and is amortized using the straight-line method over the shorter of the subscription term or the useful life of the underlying IT assets. Re-measurement of a subscription liability occurs when there is a change in the contract term and/or other changes that are likely to have a significant impact on the subscription liability.

(N) Deferred Outflows/Inflows of Resources

In addition to assets, the government-wide and fund financial statements will sometimes report a separate section of deferred outflows of resources. This separate financial statement element represents a consumption of net assets or fund balance that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the government-wide and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets or fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

(O) Compensated Absences

City employees earn vacation leave at the rate of twelve days per year for the first five years of service, increasing to twenty-three (23) days per year after twenty-five years of service. Vacation leave may be accumulated up to four times the employees' annual rate. At termination, employees with at least six months of service receive payment for any unused vacation leave. Sick leave is earned at the rate of one day per month and may be accumulated up to two hundred sixty days. Employees are not paid for unused sick leave at termination; therefore, no sick leave liability is accrued.

Vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. 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.

(P) Long-term Obligations

In the government-wide financial statements, long-term debt and other liabilities are reported as liabilities of governmental activities or business-type activities. They are also reported as liabilities in the proprietary fund financial statements. Bond premiums and discounts are amortized over the life of the bonds using the straight line method unless it is materially different than the effective interest method, in which case, the effective interest method is used. Bond discounts and premiums are presented as adjustments to the face amount of the bonds payable. Bond issuance costs are recognized as period expenses and any loss or gain on the refunding of debt is recorded as a deferred outflow/inflow of resources and amortized.

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

In the governmental fund financial statements, long-term debt is not reported as a liability. Instead, the face amount of debt issued is reported as other financing sources, and payments of principal and interest are reported as expenditures. 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 actual debt proceeds received, are reported as debt service expenditures.

(Q) Equity Classifications

- 1) Government-wide statements – Equity is classified as net position, and displayed in three components:
 - (a) Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other debt attributable to the acquisition, construction or improvement of those assets.
 - (b) Restricted net position – Consists of net position with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
 - (c) Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”
- 2) Fund financial statements – Governmental fund equity is classified as fund balance. Fund balance can be non-spendable, restricted, committed, assigned or unassigned. The non-spendable fund balance category includes amounts that cannot be spent because they are either: a) not in spendable form or b) legally or contractually required to be maintained intact. The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. Unassigned fund balance is the residual classification for the government’s general fund and includes all spendable amounts not contained in the other classifications. Proprietary fund equity is classified the same as in the government-wide statements.

(R) Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City of Savannah Employee Benefit Plan and additions to/deductions from the Plan’s fiduciary net position have been determined based on the flow of economic resources. As such, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments, which are reported at cost.

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

(A) Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between the governmental fund balances and what is shown on the government-wide statements as net position. Details of the reconciliation include the following:

- (1) The addition of capital assets, net of accumulated depreciation and amortization, to the government-wide financial statements. This reconciling item is needed since the fund financial statements under the modified accrual basis of accounting do not recognize capital assets but, instead, show expenditures for any capital item purchased. Governmental net capital assets of \$894,427,182 were added to the government-wide statements.
- (2) Deferred outflows (inflows) of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds. These are:

Related to pensions:

- Net differences between expected and actual experience	\$ 7,523,831
- Net difference between projected and actual earnings on investments	37,868,089
- Changes of assumptions	976,788
- Net change in proportionate share	497,537
- Net change in proportionate share between Government Activities & Business Activities	697,534
- Contributions subsequent to the measurement date	9,657,824

Related to OPEB:

- Net differences between expected and actual experience	\$ 1,650,827
- Changes of assumptions	(17,545,086)
- Net difference between projected and actual earnings on investments	10,335,689
	<u>\$ 51,663,033</u>

- (3) Certain amounts shown as deferred inflows of resources in the fund financial statements are reclassified on the entity-wide statements. Amounts shown as deferred inflows of resources on the fund financial statements included \$7,035,970 related to taxes, \$511,836 related to grant reimbursement receivables, \$121,679 related to special assessment receivables, \$427,711 related to cemetery receivables, and \$23,308,375 related to loan receivables that will be used in grant programs in future periods.

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

- (4) Governmental long-term liabilities(assets) were added to governmental activities on the entity-wide statements as follows:

<u>Type of Long-term Liability</u>	<u>Amount</u>
Contractual obligations payable	\$ (84,000,319)
Deferred gain on bond refunding	(28,186)
General obligation bonds payable	(2,755,000)
Leases	(3,495,719)
Compensated absences payable	(24,826,080)
Net pension liability	(117,798,745)
Net OPEB asset	12,862,431
Accrued interest payable	(716,996)
	<u>\$ (220,758,614)</u>

(B) Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities

The governmental funds statement of revenues, expenditures and changes in fund balances includes a reconciliation between the net changes in fund balances – total governmental funds to the change in net position of governmental activities that is reported in the government-wide statement of activities. Significant items in this reconciliation include:

- (1) Items expensed in governmental funds during the year as capital outlay but shown as assets on the entity-wide statements totaled \$62,310,312. Depreciation expense during the year recorded on the government-wide statements but not on the fund financial statements was \$26,453,968 and amortization expense for right-to-use assets during the year recorded on the government-wide statements but not on the fund financial statements was \$1,647,074.
- (2) The net effect of various miscellaneous transactions involving capital assets during the year was \$7,001,800; this amount represents the value of assets donated to the City of \$7,007,248 and the book value of assets disposed of during the year of \$5,448.
- (3) Certain revenues recognized in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These are:

Property taxes	\$ 1,822,301
Federal grants	(1,534,148)
Other items	(566)
	<u>\$ 287,587</u>

- (4) Repayment of long-term debt consumes the current financial resources of governmental funds; however, this transaction has no effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. The details are as follows:

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Principal repayments:	
Contractual obligations	\$ 3,810,000
GO bonds	1,120,000
Leases	1,647,074
Amortization	530,006
Debt issuance	(5,081,025)
	<u>\$ 2,026,055</u>

(5) Some revenues/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. The details of this \$6,757,827 are as follows:

Net OPEB expense	\$ 4,215,545
Net pension expense	(8,175,136)
Compensated absences	(2,839,152)
Accrued interest	40,916
	<u>\$ (6,757,827)</u>

NOTE 3 - DEPOSITS AND INVESTMENTS

The City follows the practice of pooling cash and investments of all funds, except for restricted funds generally held by outside custodians for investments of the Pension Fund and the OPEB Fund. Various restrictions on deposits and investments are imposed by statutes. These restrictions are summarized as follows:

Deposits. Custodial Credit Risk for deposits is the risk that, in the event of bank failure, a government's deposits may not be returned to it. Georgia law governs collateral requirements and forms of collateral under O.C.G.A. Section 45-8-12. The City has no custodial credit risk policies requiring additional collateral. In summary, Georgia law states:

- All deposits shall be collateralized within 10 days of deposit by a surety bond, a guarantee of insurance, or collateral.
- The face value of any surety bond, guarantee of insurance or collateral shall be at least 110% of the public funds being secured, net of deposit insurance.
- If a depository elected the pooled method (O.C.G.A. Section 45-8-13.11), the aggregate market value of pledged securities may not be less than 110% of the daily pool balance.

Authorized security for deposits enumerated under law includes surety bonds, FDIC insurance, obligations of the United States or the State of Georgia, obligations of Georgia counties or municipalities, bonds of any Georgia public authority, industrial revenue bonds of any Georgia development authority, and obligations of any subsidiary corporation of the United States government fully guaranteed by the United States (such as Federal Home Loan Bank, Federal National Mortgage Association, etc). The City does not have a custodial credit risk policy that is more restrictive than state statutes. As of December 31, 2023, all the City's deposits were either covered by federal depository insurance or collateralized by pledged collateral.

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Fair Value Measurement. GASB Statement No. 72, *Fair Value Measurement and Application*, enhances comparability of governmental financial statements by requiring fair value measurement for certain assets and liabilities using a consistent definition and accepted valuation techniques. The standard establishes a hierarchy of inputs used to measure fair value that prioritizes the inputs into three categories – Level 1, Level 2, and Level 3 inputs – considering the relative reliability of the inputs. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted (unadjusted) prices in active markets for identical financial assets or liabilities that are accessible at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the financial asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the financial asset or liability.

The level in the fair value hierarchy within which a fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The primary government invests in the Georgia Fund I. The Georgia Fund I 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 I within the fair value hierarchy.

Both the City of Savannah Employees' Retirement Plan and the OPEB Trust Fund have investments held through comingled vehicles for which fair value is estimated using the NAV reported by the investment manager as a practical expedient to fair value. Such investments have not been categorized within the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of fiduciary net position.

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The following table presents the financial assets carried at fair value by both the Primary Government and the fiduciary funds by level within the valuation hierarchy as of December 31, 2023:

Type of Investment	Measured at Net Asset Value	Level 1	Level 2	Level 3
<i>Pension Trust Fund:</i>				
US Government/Agency Debt	\$ 21,664,773	\$ 6,229,379	\$ 71,326,037	\$ -
Corporate Bonds		1,308,214	20,838,327	6,619,440
Domestic Stocks	120,270,151	64,117,133		8,553,176
International Stocks	65,894,593	4,373,178		
Real Estate	43,315,395			4,415,850
<i>OPEB Trust Fund:</i>				
US Government/Agency Debt	8,875,654			
Corporate Bonds	18,144,926			
Domestic Equities	53,339,833			
International Equities	11,190,003			
Real Estate	10,214,189			
Total Investments	<u>\$352,909,517</u>	<u>\$ 76,027,904</u>	<u>\$ 92,164,364</u>	<u>\$ 19,588,466</u>

Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets that the City could access. Level 2 inputs are based on quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable. Level 3 inputs are valued using valuation methodologies including pricing models and discounted cash flow models. Level 3 valuations incorporate subjective judgements and consider assumptions including capitalization rates, discount rates, cash flows and other factors that are not observable in the market.

Investments. In its investment of both public funds and pension trust funds, the City follows state statutes and adopted investment policies. As of December 31, 2023, the investments of the Primary Government, the City of Savannah Employees' Retirement Plan, and the City of Savannah Employees' OPEB Plan were as follows:

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Type of Investment	Average Credit Rating	Fair Value	Maturities in Years			
			Less than 1	1-3	4-5	Greater than 5
Primary Government:						
Georgia Fund I	AAAf	\$611,069,455	\$611,069,455	\$ -	\$ -	\$ -
Pension Trust Fund:						
US Government/Agency Securities	AA+	71,326,037	71,326,037			
Corporate Bonds						
Various	A	9,879,839	2,303,686	1,680,254	446,375	5,449,524
Various	AA	611,267	611,267			
Various	AAA	2,778,028	2,598,874	179,154		
Various	BBB	7,569,193	1,732,282	1,176,929	644,759	4,015,223
US Government/Agency Debt	NR	27,894,152				
Corporate Bonds	NR	7,927,654				
Domestic Equities	NR	192,940,460				
International Equities	NR	70,267,771				
Real Estate	NR	47,731,245				
OPEB Trust Fund:						
US Government/Agency Debt	NR	8,875,654				
Corporate Bonds	NR	18,144,926				
Domestic Equities	NR	53,339,833				
International Equities	NR	11,190,003				
Real Estate	NR	10,214,189				
Total Investments		\$1,151,759,706	\$689,641,601	\$3,036,337	\$1,091,134	\$9,464,747

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 any state or any political subdivision of any state, certificates of deposit or time deposits of financial institutions with deposits insured by FDIC, prime banker's acceptances, repurchase agreements, and investment pools operated by the Georgia State Treasurer's Office. During the year, the City invested public funds in certificates of deposits and time deposits of local banks and the Georgia Fund 1, which is managed by the State Treasurer.

State law also governs the investment of retirement funds (O.C.G.A. 47-20-84) and limits investments to maximum concentrations by investment category (at cost). The City's defined benefit plan qualifies as a "large retirement system," a designation which allows the plan additional investments in equity securities.

The local government investment pool, "Georgia Fund 1," created by OCGA 36-83-8, is a stable asset value investment pool, which follows Standard and Poor's criteria for AAAf rated money market funds and is regulated by the Georgia Office of the State Treasurer. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1 per share value). The

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on \$1 per share. The City considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation.

Deposit and investment transactions are subject to a variety of risks. The City's adopted investment policies seek 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 to legal requirements.

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The City's Investment Policy states that the City will create its portfolio with investments having maturity dates at or prior to the time cash is prudently projected to be required to meet disbursement needs, thereby avoiding the need to sell securities prior to their maturity. The Policy limits investment maturities to a maximum of five years from the date of purchase. As of December 31, 2023, the City had investments of \$611,069,455 in Georgia Fund 1, which reported a weighted average maturity on its entire portfolio of 26 days as of the end of the year.

Policies of the City of Savannah Employees' Retirement Plan limit its cash and short-term investments to a maximum of 5.0% of the total portfolio, with a target amount of less than one percent. As of December 31, 2023, the City of Savannah Employees' Retirement Plan had 1.12% of its total assets in cash and short-term investments.

Policies of the City's OPEB Plan limit its cash and short-term investments to a maximum of 5.0% of the total portfolio, with a target amount of less than one percent. As of December 31, 2023, the City's OPEB Trust Fund had 2.69% of its total assets in cash and short-term investments.

Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. The City's Investment Policy seeks to minimize credit risk through diversification of investments within the choices allowed under state statutes. The City has no stated minimum credit quality for its investment portfolio.

All the City's investments in U.S. Treasury and Agency securities carry the explicit guarantee of the U.S. government. U.S. Agency securities underlie repurchase agreements.

Foreign currency risk is the risk that exchange rates may affect the valuation of an investment. The Pension Trust Fund had investments in international stock and foreign corporate bonds of \$70,267,771 and \$831,864 respectively, as of year-end. These investments are subject to foreign currency risk consisting of various currencies. Policies of the City of Savannah Employees' Retirement Plan limit investment in international equities to 25% of the market value of the fund. The OPEB Trust Fund had investments in international stock funds of \$11,190,003 as of year-end. These investments are subject to foreign currency risk consisting of various currencies. Policies of the City's OPEB limit investment in international equities to 15% of the market value of the fund.

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. Disclosures are required for any issuer that represents 5% or more of total investments, exclusive of mutual funds, external investment pools and investments issued or guaranteed by the U.S. government. The City's investment policy restricts investments in a single issuer of more than 25% of the total investment portfolio, not including the investment pools operated by the Georgia State Treasurer's Office and obligations of the U.S. government.

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

In addition, the City of Savannah Employees' Retirement Plan seeks a diversified portfolio of fully negotiable, equity, fixed income, and money market securities, with target percentages for each, which are based on market values. Percentage allocations are intended to serve as long-term guidelines and, therefore, may result in a temporary imbalance in asset mix. Temporary imbalances may result from market conditions or an investment transition; however, periodic asset rebalancing is performed on a regular basis. The target percentages and allocation ranges are presented below for each asset class.

<u>Asset Class</u>	<u>Target Percentage</u>	<u>Allocation Range</u>
U.S. Equities	36%	30% to 55%
Non U.S. Equities	15%	5% to 25%
Fixed Income Debt Obligations	27%	14.5% to 39.5%
Global Tactical Asset Allocation	5%	0% to 10%
Real Estate	8%	5% to 15%
Private Equity	9%	0% to 10%

The City's OPEB Plan seeks a diversified portfolio of fully negotiable, equity, fixed income, and money market securities, with target percentages for each, which are based on market values. Percentage allocations are intended to serve as long-term guidelines and, therefore, may result in a temporary imbalance in asset mix. Temporary imbalances may result from market conditions or an investment transition; however, periodic asset rebalancing is performed on a regular basis. The target percentages and allocation ranges are presented below for each asset class.

<u>Asset Class</u>	<u>Target Percentage</u>	<u>Allocation Range</u>
U.S. Equities	50%	35% to 75%
Non U.S. Equities	10%	5% to 15%
Fixed Income Debt Obligations	30%	15% to 45%
Real Estate	10%	5% to 15%

Deposits and investments are reconciled between the financial statements and note disclosure as follows:

Basic financial statements:

Cash and investments	\$ 465,551,080
Restricted cash	180,385,611
Trust and custodial funds	<u>549,362,431</u>
Total	<u>\$ 1,195,299,122</u>

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Notes to financial statements:

Cash on Hand	\$ 17,160
Deposits	43,522,256
Investments	<u>1,151,759,706</u>
Total	<u>\$ 1,195,299,122</u>

NOTE 4 - PENSION PLANS

The City maintains a cost-sharing multiple-employer pension plan to provide retirement benefits to employees of the City called the City of Savannah Employees' Retirement Plan (COSERP). Certain City employees also participate in the Peace Officers' Annuity and Benefit Fund of Georgia (POAB) and the Georgia Firefighters' Pension Plan (GFFP). Separate plan disclosures are provided herein for each plan. Aggregate amounts for all plans for the City's proportionate share of the net pension liability and other items are as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Proportionate Share of Net Pension Liability	Deferred Outflows	Deferred Inflows	Pension Expense
City of Savannah Employees' Retirement Plan	\$ 531,518,485	\$ 381,761,625	\$ 149,756,860	\$ 73,931,136	\$ 2,471,768	\$ 22,375,347
Peace Officers' Annuity and Benefit Fund of Georgia (POAB)						539,205
Georgia Firefighters' Pension Fund (GFFP)						1,806,320
	<u>\$ 531,518,485</u>	<u>\$ 381,761,625</u>	<u>\$ 149,756,860</u>	<u>\$ 73,931,136</u>	<u>\$ 2,471,768</u>	<u>\$ 24,720,872</u>

(A) City of Savannah Employees' Retirement Plan

Summary of Significant Accounting Policies

Basis of Accounting. COSERP financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments. Investments are reported at fair value. Short term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Plan Description and Contribution Information

Plan Administration. The City of Savannah administers a cost sharing multiple-employer defined benefit pension plan (the City of Savannah Employees' Retirement Plan) which was established by City ordinance in July 1972 to provide retirement and disability benefits for all full-time general and uniformed personnel of the City. Membership by all full-time City employees is required by ordinance. Employees of the Savannah Airport Commission and the Metropolitan Planning Commission are also eligible to participate in the Plan.

The Plan is administered by the Retirement Board. The Retirement Board is composed of eight members consisting of the following:

- The City Manager
- The Chief Financial Officer of the City of Savannah
- A Police employee selected by the police employees
- A Fire employee selected by the fire employees
- A General employee selected by the general employees
- A member of the City Council selected by the City Council
- Two citizens at large selected by the Mayor and Aldermen

As of December 31, 2021, employee membership data related to the pension plan was as follows:

Retirees and beneficiaries currently receiving benefits	1,719
Terminated employees entitled to benefits but not yet receiving them	207
Active members	<u>2,230</u>
Total	<u>4,156</u>

The Plan's audited financial statements are included in the City's annual comprehensive financial report as a pension trust fund. The Plan does not issue a stand-alone financial report.

Benefits provided. City ordinance specifies types and levels of Plan benefits as well as Plan member contribution requirements. The Plan provides normal and early retirement pension benefits, occupational disability benefits, survivor's benefits, non-occupational disability and death benefits to plan members and beneficiaries.

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Under the Plan, pension benefits vest after five years of service. Normal retirement for general employees is age 57. Normal retirement for uniformed public safety employees (police officers and firefighters) is age 55. The normal monthly benefit is calculated as follows:

Final average earnings times

- 2.1% for each year of service earned before January 1, 2000, plus 2.3% for each year of service earned after January 1, 2000 (to a maximum of 30 years of service) plus
- 1% of final average earnings times years of service in excess of 30 years to a maximum of 100%.

Final average earnings is defined as the average monthly salary for the highest sixty consecutive months during the last ten years of employment.

In 1999, the Plan added a provision for automatic post-retirement pension increases. Once a pensioner reaches the age of 65 and has received pension benefits for at least five years, an increase of 5% is automatically given to the pensioner in the month both conditions are met. Every year thereafter an automatic increase of 1% is granted to the pensioner. In March 2000, the Plan was further enhanced to allow accumulated sick leave as pensionable service for eligibility and benefit purposes.

Contributions. The annual contribution amounts are actuarially determined. Active employees covered by the Plan are required to contribute 6.65% of their earnings on a pre-tax basis and the employers contribute such additional amounts as are necessary, based on actuarial valuations, in order to provide the Plan with assets sufficient to meet future benefit payments. The employer contribution as a percentage of payroll determined by the most recent actuarial valuation is 9.85%. In 2023, contributions to the COSERP by the City of Savannah were \$11,878,580. The contributions paid by City employees totaled \$8,050,337 in 2023. The total payroll for City employees covered under the COSERP for the year ended December 31, 2023 was \$121,057,699. The projected unit credit method is used to determine contributions.

Investments

Investment Policy. The Plan's policy regarding the allocation of invested assets is established and may be amended by the Retirement Board through a vote by a majority of its members. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan. The following was the Retirement Board's adopted asset allocation policy as of December 31, 2023:

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

<u>Asset Class</u>	<u>Target Allocation</u>
U.S. Equities	36%
Non U.S. Equities	15
Fixed Income	27
Global Tactical Allocation	5
Real Estate	8
Private Equity	9
Total	<u>100%</u>

The target allocations detailed above were established in February of 2023 and have not been amended since that time.

Rate of Return. For the year ended December 31, 2023, the annual money weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.0 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

Net components of the net pension liability of the COSERP at December 31, 2022 were as follows:

Total pension liability	\$ 583,471,266
Plan fiduciary net position	<u>419,076,560</u>
Employers' net pension liability	<u>\$ 164,394,706</u>

Plan fiduciary net position as a percentage of the Total Pension Liability	71.82%
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CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances - beginning of year	\$ 563,563,263	\$ 513,909,213	\$ 49,654,050
Changes for the Year:			
Service cost	11,773,197		11,773,197
Interest expense	40,384,046		40,384,046
Differences between expected and actual experience	4,381,029		4,381,029
Contributions--employer		12,258,946	(12,258,946)
Contributions--employee		7,883,418	(7,883,418)
Net investment income		(78,177,688)	78,177,688
Benefits paid, including refunds of member contributions	(36,630,269)	(36,630,269)	
Plan administrative expenses		(167,060)	167,060
Net Changes	<u>19,908,003</u>	<u>(94,832,653)</u>	<u>114,740,656</u>
Balances - end of year	<u>\$ 583,471,266</u>	<u>\$ 419,076,560</u>	<u>\$ 164,394,706</u>

The actuarial assumptions used in the January 1, 2022 valuation were based on the results of the last actuarial experience study which examined the period January 1, 2015 through December 31, 2019. The net pension liability is based on an actuarial valuation dated January 1, 2022, upon which update procedures were used to roll forward the total pension liability to the year end of December 31, 2022. The actuarial cost method used to calculate the total pension liability was entry age.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of January 1, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation 2.75%
- Salary increases Varies by age
- Investment rate of return 7.25%, net of pension plan investment expense, including inflation
- Cost-of-living adjustments 5.00% at participant's adjustment date, 1.00% annually thereafter

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For pre-retirement members of the Plan, mortality rates were based on the Pri-2012 Employee Amount-weighted Mortality Table; projected generationally with 60% of Scale SSA-2020. For healthy annuitants of the Plan, mortality rates were based on the Pri-2012 Healthy Retiree Amount-weighted Mortality Table, multiplied times 1.25; projected generationally with 60% of Scale SSA-2020. For disabled annuitants, mortality rates were based on the Pri-2012 Disabled Retiree Amount-weighted Mortality Table, multiplied times 1.25; projected generationally with 60% of Scale SSA-2020.

Long-term expected rate of return. The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns 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 adding expected inflation. The target allocation (approved by the Pension Board) and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	41.00%	6.91%
International equity	12.50%	7.21%
Fixed Income	27.00%	1.61%
Core Real Estate	10.00%	3.61%
Private Equity (including non-Core Real Estate)	7.00%	9.96%
Emerging Markets	2.50%	8.71%
Total	100.00%	5.45%

Discount Rate. The discount rate used to measure the total pension liability was 7.25% as of December 31, 2022. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the Plan's financial net position (FNP) was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of December 31, 2022.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the COSERP as of December 31, 2022, calculated using the discount rate of 7.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	1% Decrease (6.25%)	Current Discount (7.25%)	1% Increase (8.25%)
Net pension liability	\$ 231,650,106	\$ 164,394,706	\$ 108,331,887

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

At December 31, 2023, the City of Savannah reported a liability of \$149,756,860 for its proportionate share of the net pension liability of the COSERP. The net pension liability was measured as of December 31, 2022 and determined based on the total pension liability from the actuarial valuation as of January 1, 2022. The City's proportion of the net pension liability was based on the fiscal 2022 employer contributions into the Plan. In 2022, the City of Savannah was allocated a proportional share of 91.10% of the net pension liability compared to a share of 90.64% for 2021.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the City of Savannah's proportional share of the net pension liability of the COSERP reported as of December 31, 2023, calculated using the discount rate of 7.25%, as well as the proportional share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount (7.25%)	1% Increase (8.25%)
City of Savannah's proportional share of net pension liability	\$ 211,023,783	\$ 149,756,860	\$ 98,685,923

For the year ended December 31, 2023, the City recognized pension expense of \$22,375,347. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in proportion and differences between employer's contributions and proportionate share of contributions	\$ 1,054,451	\$ 421,935
Net difference between projected and actual earnings on pension plan investments	48,141,485	
Changes of assumptions or other inputs	1,241,785	
Difference between expected and actual experience in the total pension liability	9,876,302	311,300
Employer contributions made subsequent to the measurement date	11,878,580	
Change in proportion	1,738,533	1,738,533
Total	<u><u>\$ 73,931,136</u></u>	<u><u>\$ 2,471,768</u></u>

\$11,878,580 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended</u>	<u>Recognition of deferred outflows/(inflows)</u>
December 31, 2024	\$8,287,272
December 31, 2025	13,486,994
December 31, 2026	16,885,000
December 31, 2027	20,921,522
December 31, 2028 and Thereafter	-
Net balance of deferred outflows/(inflows) of resources	<u><u>\$59,580,788</u></u>

(B) Pensions with a Special Funding Situation

The City participates in two pension plans that are considered to have a special funding situation. The two plans are the Peace Officers' Annuity and Benefit Fund of Georgia (POAB) and the Georgia Firefighters' Pension Plan (GFFP). Both of these pension plans are cost-sharing, multiple employer

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

defined benefit plans and the employer contributions are funded by the State on behalf of the City. GASB Statement No. 68, Accounting and Financial Reporting for Pensions requires participating employers and nonemployer contributing entities to recognize their proportional share of the collective net pension liability and pension expense. Since the City does not contribute directly to the plans, there is no net pension liability or deferred inflows or outflows to report in the financial statements of the City. The State's proportionate share of the collective net pension liability of the POAB plan totals \$6,067,370 and the State's proportionate share of the collective net pension liability of the Georgia Firefighters' plan totals \$7,391,469. The State revenue and pension expense of the plans total \$539,205 for the POAB and \$1,806,320 for the Georgia Firefighters' plan and these amounts were recognized by the City during the period as revenues and expenditures/expenses. Detailed information about each of the plans' fiduciary net position is available in separately issued financial reports that can be obtained at www.poab.georgia.gov (POAB) and at www.gfpf.org (Georgia Firefighters' Pension Plan).

Peace Officers' Annuity and Benefit Fund of Georgia (POAB): The Peace Officers' Annuity and Benefit Fund of Georgia was created in 1950 by the General Assembly of Georgia to provide retirement benefits to peace officers.

Benefits provided. POAB provides retirement as well as death benefits. Title 47 of the O.C.G.A. assigns the authority to establish and amend the provisions of the fund to the State Legislature. A member must have terminated his or her active employment as a peace officer to receive benefits. The monthly benefit is a single life annuity payable in monthly installments for the life of the member only. The monthly payment amount at June 30, 2022, was \$30.00 per month (plus 1/12 of this amount for each month of any partial year) for each full year of creditable service up to a maximum of 30 years of total service. The Board of Trustees is authorized to provide for increases effective as of January 1 and July 1 of each year up to 1.5% of the maximum monthly retirement benefit then in effect. Members may elect, as an alternative to the benefit described above, to receive a 100% joint life annuity payable during the life of the member or the member's spouse, or a contingency life annuity with a 50% monthly payment to the surviving spouse. The amount of the benefit for these options is an actuarially reduced portion of the single life annuity benefit described above.

Contributions and Vesting. A member is eligible to receive retirement benefits with 30 years of service, regardless of age. A member is also eligible to receive retirement benefits at age 55 with 10 years of service; however, members joining on or after July 1, 2010, must have 15 years of service to be eligible for benefits. A member must have terminated his or her active employment as a peace officer to receive benefits. POAB is funded by member and nonemployer contributing entity contributions. Contribution provisions are established by statute and may be amended only by the General Assembly of Georgia. Member contribution requirements are set forth in O.C.G.A. 47-17-44 and are not actuarially determined. Each member must contribute \$25 per month, to be paid no later than the tenth day of each month. Nonemployer contributions consist of court fines and forfeitures collected and remitted by the courts directly to POAB in accordance with O.C.G.A. 47-17-60. These court fines and forfeitures are considered to be made by the State of Georgia as the nonemployer contributing entity.

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021.

Actuarial Assumptions. The collective total pension liability was determined by an actuarial valuation as of June 30, 2021, with update procedures used to roll forward the total pension liability to June 30, 2022. The roll forward calculation adds the normal cost, subtracts the actual benefit payments and refunds for the plan year, and then applies the discount rate for the year. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Inflation	2.25%
Salary increases	N/A
Investment rate of return	6.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the PUB-2010 Mortality Table with generational mortality projection using the MP-2021 mortality improvement scale.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an experience study covering the period June 30, 2015 through June 30, 2020.

The long-term expected rate of return on pension plan investments was calculated by the Fund's investment manager as 6.5% using a building block method in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of 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 ten-year geometric real rates of return by the target asset allocation percentage, and then adding expected inflation and the impact of rebalancing and diversification by the Fund's investment consultant. The fund's administrator determined that 6.50% was a reasonable assumption for the long-term rate of return on plan assets based on the calculation of the fund's investment consultant.

Discount rate. The discount rate used to determine the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumes revenues will remain level. 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 periods of projected benefit payments to determine the total pension liability.

Georgia Firefighters' Pension Fund (GFFP): The Georgia Firefighters' Pension Fund was created in 1955 by an act of the Georgia General Assembly to provide retirement benefits for qualified firefighters. The GFFP administers a cost-sharing, multiple-employer defined benefit pension plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*.

Any person employed as a firefighter or enrolled as a volunteer firefighter within the State of Georgia or any regular employee of the GFFP is eligible for membership in the fund. The various fire departments located within the State of Georgia, as the employers of the members of the GFFP, do not make contributions to the fund. The State of Georgia provides nonemployer contributions to the fund through the collection of insurance premiums tax. These nonemployer contributions are recognized as revenue by the fund when collected from the insurers.

Benefits provided. The GFFP provides retirement as well as disability and death benefits. Benefit provisions and vesting requirements are established by state statute and may be amended only by the General Assembly of Georgia. A member is eligible to receive retirement benefits at age 55 provided the member has 25 years of service. A member is eligible to receive a pro rata share of benefits, at the latter of age 55 or at the member's termination as a firefighter or volunteer firefighter, after at least 15 years of service (amount received to be the maximum benefit amount times a ratio of years of service to 25 years). At age 50, a member may elect to receive a percentage of benefits to which the member would have been eligible to receive at age 55.

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Members may not receive benefits while they are still an employee of a fire department or of the fund. Members may receive benefits and continue service as a volunteer firefighter as long as they receive no form of compensation for their volunteer department activity.

The maximum retirement benefit at June 30, 2022 is \$977 per month for the life of the member. The Board of Trustees is authorized to provide for ad-hoc cost-of-living adjustments (COLAs) effective as of January 1 and July 1 of each year up to 1.5% of the maximum retirement benefit then in effect. Members retiring after July 1, 1984 with service in excess of 25 years are entitled to an additional 1% of the maximum benefit in effect at the time of retirement for each additional full year of service. Members retiring after July 1, 2002 with service in excess of 25 years are entitled to an additional 2% of the maximum benefit in effect at the time of retirement for each additional full year of service.

Members may elect, as an alternate to the benefit described above, to receive either:

- the joint and survivor option, which is an actuarially reduced benefit payable during the joint lifetime of the member and the member's spouse, continuing after the death of the member through the lifetime of the spouse, or
- the ten years' certain and life option, which is a reduced benefit during the member's lifetime. In the event of the member's death within 10 years of retirement, the same monthly benefits continue to be paid to the member's selected beneficiary for the balance of the 10 year period.

In the event of the death of an active member of the Pension Fund who has not commenced receiving any benefits, the designated beneficiary of such deceased member is entitled to be paid the amount of \$10,000. In the event of the death of an active member of the Pension Fund who has commenced receiving benefits, but who has not received total benefits in the amount of \$10,000; the designated beneficiary of such deceased member is entitled to receive the difference between \$10,000 and the amount of benefits received by such deceased member. In the event of the death of a member with 15 years of service, prior to commencing benefits, the spouse or beneficiary of the member is entitled to the retirement benefit elected to have been received by the member.

In the event a member terminates prior to receiving retirement benefits, 95% of the member's contributions will be returned. No interest is paid upon amounts so withdrawn.

Contributions. The GFFP is funded by member and nonemployer contributing entity (nonemployer) contributions. Contribution provisions are established by statute and may be amended only by the General Assembly of Georgia.

Member contribution requirements are set forth in O.C.G.A. 47-7-60 and are not actuarially determined. Each member must contribute \$25 per month, to be paid no later than the tenth day of each month.

Nonemployer contributions consist of insurance premiums tax collected and remitted by insurers directly to the GFFP in accordance with O.C.G.A. 47-7-61. Every fire insurance company, corporation or association doing business within the State of Georgia must pay to the executive director of the fund 1% of the gross premiums written by such insurance company, corporation, or association for fire, lightning, or extend coverage, inland marine or allied lines, or windstorm insurance policies covering property within the State of Georgia. These insurance premiums taxes are considered to be made by the State of Georgia as the nonemployer contributing entity.

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Actuarial Assumptions. The total pension liability was determined based on an actuarial valuation as of June 30, 2022, using the following key actuarial assumptions:

Inflation	2.50%
Salary increases	N/A
Investment rate of return	5.75%, net of pension plan investment expense, including inflation

Mortality rates, projected generationally with the MP-2021 Scale, are as follows:

<u>Participant Type</u>	<u>Base Mortality Table</u>
Actives	PubS.H-2010 Employee, Below Median
Service Retirements	PubS.H-2010 Healthy Retiree, Below Median
Disability Retirements	PubS.H-2010 Disabled Retiree
Beneficiaries	PubS.H-2010 Contingent Survivor, Below Median

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the six-year period ending June 30, 2021 dated September 7, 2022.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate arithmetic expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These assumptions are converted into nominal assumptions by adding inflation, and then combined by weighting them by the target asset allocation percentages.

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term expected real rate of return*
Domestic Fixed Income	34.50 %	1.10 %
Large cap equities	18.00	4.93
Small/mid cap equities	10.50	6.12
International unhedged equities	13.00	5.46
Emerging international equities	6.50	9.30
Private equity	7.50	9.75
Real estate investment trust	5.00	5.86
Real assets (liquid)	5.00	5.61
	<u>100.00 %</u>	

*Rates shown are net of inflation.

Discount Rate. The discount rate used to measure the total pension liability was 5.75%. 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 nonemployer contributions will remain at the level contributed the previous fiscal year. Based on those assumptions, the fund'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 periods of projected benefit payments to determine the total pension liability.

(C) Old Pension Plan

In 1972, the Old Pension Plan was terminated and replaced by the current City of Savannah Employees' Retirement Plan. A new fund was established in 1983 to fund the benefits payable to persons who were retired and/or vested under the old plan prior to 1972. The City contributed \$1,619,320 in 1983, \$471,692 in 1984, and \$185,000 in 1985 to fund the actuarially expected future benefits beginning in July 1985. Old pension benefits until July 1985 were funded by the General Fund. As a result of these contributions, the Old Pension Fund became fully funded as of July 1985. There are no active employees covered by the Old Pension Plan, accordingly, there were no employee contributions in 2020. Benefits to be paid under the Old Pension Plan were fully funded as of December 31, 2006; therefore, no employer contributions were made to the Old Pension Plan during 2023.

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(D) **Statement of Fiduciary Net Position for Individual Pension Plans**

CITY OF SAVANNAH
STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
DECEMBER 31, 2023

	EMPLOYEES' RETIREMENT		
	PENSION TRUST	OLD PENSION TRUST	TOTAL
<u>ASSETS</u>			
Cash and cash equivalents	\$ 5,005,954	\$ 203,265	\$ 5,209,219
Accrued income	759,469		759,469
Accounts receivable:			
From employers	15,069		15,069
From participants	142,434		142,434
Investments, at fair value:			
U.S. government obligations	99,220,189		99,220,189
Foreign corporate bonds	831,864		831,864
Domestic corporate bonds	27,934,117		27,934,117
Domestic equities	192,940,460		192,940,460
International equities	70,267,771		70,267,771
Real estate fund	47,731,245		47,731,245
Total investments	438,925,646		438,925,646
Total assets	444,848,572	203,265	445,051,837
<u>LIABILITIES</u>			
Payable from restricted assets:			
Accounts payable	294,562		294,562
Total liabilities	294,562		294,562
<u>NET POSITION</u>			
Restricted for:			
Pensions	\$ 444,554,010	\$ 203,265	\$ 444,757,275

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(E) **Statement of Changes in Fiduciary Net Position for Individual Pension Plans**

CITY OF SAVANNAH
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
YEAR ENDED DECEMBER 31, 2023

	EMPLOYEES' RETIREMENT		
	PENSION TRUST	OLD PENSION TRUST	TOTAL
<u>ADDITIONS</u>			
Contributions			
Employer	\$ 12,975,840	\$ -	\$ 12,975,840
Plan members	8,822,722		8,822,722
Total contributions	<u>21,798,562</u>		<u>21,798,562</u>
Investment income			
Interest and dividends	5,517,346	9,131	5,526,477
Real estate net loss	(8,041,464)		(8,041,464)
Net appreciation in fair value of investments	<u>47,062,244</u>		<u>47,062,244</u>
Total investment income	44,538,126	9,131	44,547,257
Less investment expense	<u>1,933,770</u>		<u>1,933,770</u>
Net investment income	<u>42,604,356</u>	<u>9,131</u>	<u>42,613,487</u>
Total additions	<u>64,402,918</u>	<u>9,131</u>	<u>64,412,049</u>
<u>DEDUCTIONS</u>			
Benefits	36,892,182	1,500	36,893,682
Refunds of contributions	1,844,993		1,844,993
Administrative expense	<u>188,293</u>		<u>188,293</u>
Total deductions	<u>38,925,468</u>	<u>1,500</u>	<u>38,926,968</u>
Change in net position	25,477,450	7,631	25,485,081
Net position:			
Beginning of year - January 1	419,076,560	195,634	419,272,194
End of year - December 31	<u>\$ 444,554,010</u>	<u>\$ 203,265</u>	<u>\$ 444,757,275</u>

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023 was:

	Restated Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 79,508,186	\$ 799,395	\$ -	\$ 80,307,581
Construction in progress	339,080,469	54,832,413	92,579,791	301,333,091
Total capital assets, not being depreciated	418,588,655	55,631,808	92,579,791	381,640,672
Depreciable capital assets:				
Plants and buildings	125,581,285	46,713,159		172,294,444
Improvements other than buildings	114,570,262	11,782,531	44,764	126,308,029
Machinery, equipment and vehicles	153,166,573	11,526,774	7,395,513	157,297,834
Streets and drainage	572,773,960	44,089,174	5,513	616,857,621
Total capital assets, being depreciated	966,092,080	114,111,638	7,445,790	1,072,757,928
Less: Accumulated Depreciation				
Plants and buildings	38,946,895	5,246,251		44,193,146
Improvements other than buildings	46,956,538	3,632,330	44,764	50,544,104
Machinery, equipment and vehicles	111,766,784	9,732,612	7,390,067	114,109,329
Streets and drainage	303,515,138	15,693,482	5,513	319,203,107
Total accumulated depreciation	501,185,355	34,304,675	7,440,344	528,049,686
Depreciable capital assets, net	464,906,725	79,806,963	5,446	544,708,242
Lease right-of-use assets:				
Buildings	7,350,791	2,516,024	38,002	9,828,813
Machinery, equipment and vehicles	5,992,801	5,498,963		11,491,764
Total lease right-of-use assets	13,343,592	8,014,987	38,002	21,320,577
Less: Accumulated Amortization				
Buildings	4,720,013	1,647,075	33,995	6,333,093
Machinery, equipment and vehicles	897,990	1,765,661		2,663,651
Total accumulated amortization	5,618,003	3,412,736	33,995	8,996,744
Lease right-of-use assets, net	7,725,589	4,602,251	4,007	12,323,833
Subscription right-of-use assets (see note)	1,391,508	306,854		1,698,362
Less accumulated amortization for:				
Subscription right-of-use assets (see note)	963,342	506,360		1,469,702
Subscription right-of-use assets, net	428,166	(199,506)		228,660
Governmental Activities capital assets, net	\$ 891,649,135	\$ 139,841,516	\$ 92,589,244	\$ 938,901,407

Note: the beginning balances for subscription right-of-use assets and accumulated amortization were restated for the implementation of GASB Statement No. 96.

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities				
Capital assets, not being depreciated:				
Land	\$ 8,016,787	\$ -	\$ -	\$ 8,016,787
Construction in progress	216,977,253	34,722,563	24,245,127	227,454,689
Total capital assets, not being depreciated	<u>224,994,040</u>	<u>34,722,563</u>	<u>24,245,127</u>	<u>235,471,476</u>
Capital assets, being depreciated				
Plants, buildings, stations and reservoirs	868,725,897	28,638,701	58,824	897,305,774
Improvements other than buildings	47,188,871	2,061,474		49,250,345
Machinery and equipment	45,006,374	1,314,155	97,449	46,223,080
Total capital assets, being depreciated	<u>960,921,142</u>	<u>32,014,330</u>	<u>156,273</u>	<u>992,779,199</u>
Less: Accumulated Depreciation				
Plants, buildings, stations and reservoirs	431,288,913	23,433,149	51,975	454,670,087
Improvements other than buildings	30,974,167	1,624,258		32,598,425
Machinery and equipment	37,345,643	1,606,728	97,450	38,854,921
Total accumulated depreciation	<u>499,608,723</u>	<u>26,664,135</u>	<u>149,425</u>	<u>526,123,433</u>
Total capital assets, being depreciated, net	<u>461,312,419</u>	<u>5,350,195</u>	<u>6,848</u>	<u>466,655,766</u>
Lease right-of-use assets:				
Land and improvements	5,305,893			5,305,893
Total lease right-of-use assets	<u>5,305,893</u>			<u>5,305,893</u>
Less: Accumulated Amortization				
Land and improvements	1,108,366	523,244		1,631,610
Total accumulated amortization	<u>1,108,366</u>	<u>523,244</u>		<u>1,631,610</u>
Lease right-of-use assets, net	<u>4,197,527</u>	<u>(523,244)</u>		<u>3,674,283</u>
Business-type Activities capital assets, net	<u>\$ 690,503,986</u>	<u>\$ 39,549,514</u>	<u>\$ 24,251,975</u>	<u>\$ 705,801,525</u>

As part of its flood mitigation program, the City has entered into certain grant agreements with the Georgia Emergency Management Agency to purchase flood prone properties located within the city limits. These properties, when purchased, are included in the land category of governmental capital assets at historical cost. Certain covenants restrict the use and resale of these properties once acquired by the City. The value of these properties included in the governmental capital assets as of December 31, 2023 is \$19,917,760.

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

During 2023, depreciation and amortization expense was charged to functions/programs of the City as follows:

Governmental activities:

Governance and strategic services	\$ 139,941
Municipal services	3,218,391
Infrastructure and development	16,099,651
Police	1,185,627
Recorders court	17,045
Fire	1,074,012
Parks and recreation	3,609,927
Community services	2,375,720
Grant program and administration	<u>380,728</u>
Total depreciation and amortization expense – governmental activities	28,101,042
Depreciation and amortization expense on Internal Service Fund Capital Assets	<u>10,122,729</u>
Total depreciation and amortization expense allocated to governmental activities	<u>\$38,223,771</u>

Business-type activities:

Water and sewer	\$ 20,515,418
Sanitation	1,353,841
Parking facilities	4,358,202
Civic Center	685,664
Golf course	<u>274,254</u>
Total depreciation and amortization expense allocated to business-type activities	<u>\$ 27,187,379</u>

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As of December 31, 2023, the City had the following commitments with respect to unfinished capital projects:

<u>Project by Type</u>	<u>Project Authorization</u>	<u>Expended at Year-end</u>	<u>Committed</u>	<u>Required Future Financing</u>
Drainage	\$125,457,042	\$23,360,920	\$102,096,122	NONE
Industrial and Domestic Water Supply System	517,000	248,939	268,061	NONE
Public Buildings	236,761,128	193,471,475	43,289,653	NONE
Recreation	30,172,281	4,789,121	25,383,160	NONE
Sanitation	37,954,861	35,561,447	2,393,414	NONE
Sewerage	163,602,158	99,162,451	64,439,707	NONE
Squares	12,916,654	8,080,249	4,836,405	NONE
Street Paving	48,636,526	35,795,642	12,840,884	NONE
Traffic Engineering	93,201,842	65,384,540	27,817,302	NONE
Water	86,743,339	14,213,545	72,529,794	NONE
Other	131,175,670	48,719,451	82,456,219	NONE
Totals	<u>\$967,138,501</u>	<u>\$528,787,780</u>	<u>\$438,350,721</u>	

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 6 - LONG-TERM LIABILITIES

(A) The following shows the composition of bonds, notes, and contractual obligations payable at December 31, 2023 and the annual maturities of long-term liabilities:

	Lowest/ Highest Coupon Rate	Original Issue Amount	Unmatured Bond/Interest at 12/31/23	2024	2025	2026	2027	2028	2029-2033	2034-2038	2039-2042
GOVERNMENTAL ACTIVITIES PRINCIPAL PORTION											
Contractual Obligations Related to:											
2014 Downtown Savannah Authority Bonds	2.0/4.0	\$ 9,970,000	\$ 1,905,000	\$ 935,000	\$ 970,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2015 Downtown Savannah Authority Bonds	2.0/4.0	19,950,000	12,995,000	965,000	1,000,000	1,025,000	1,020,000	1,020,000	5,335,000	2,630,000	
2016 Downtown Savannah Authority Bonds	2.03	8,000,000	4,990,000	790,000	805,000	825,000	840,000	855,000	875,000		
2017 Downtown Savannah Authority Bonds	2.39	6,585,000	4,770,000	635,000	650,000	665,000	680,000	695,000	1,445,000		
2018 Downtown Savannah Authority Bonds	3.00/5.00	14,095,000	11,760,000	590,000	620,000	650,000	685,000	720,000	3,925,000	4,570,000	
2019 Downtown Savannah Authority Bonds	2.75	8,440,000	8,340,000	25,000	25,000	1,090,000	1,120,000	1,150,000	4,930,000		
2021 Savannah Economic Development Authority Bonds	2.00/5.00	26,720,000	26,720,000	1,105,000	1,160,000	1,220,000	1,280,000	1,345,000	7,740,000	9,005,000	3,865,000
2022 Savannah Economic Development Authority Bonds	2.65	6,095,000	6,095,000	290,000	295,000	305,000	310,000	320,000	1,735,000	1,975,000	865,000
2023 Savannah Economic Development Authority Bonds	4.94	2,565,000	2,565,000	105,000	125,000	130,000	140,000	145,000	845,000	1,075,000	
Total Contractual Obligations		<u>102,420,000</u>	<u>80,140,000</u>	<u>5,440,000</u>	<u>5,650,000</u>	<u>5,910,000</u>	<u>6,075,000</u>	<u>6,250,000</u>	<u>26,830,000</u>	<u>19,255,000</u>	<u>4,730,000</u>
General Obligation Bonds:											
2016 General Obligation Bonds	1.97	2,000,000	695,000	345,000	350,000						
2017 General Obligation Bonds	1.84	2,000,000	820,000	405,000	415,000						
2018 General Obligation Bonds	3.28	2,000,000	1,240,000	400,000	415,000	425,000					
Total General Obligation Bonds		<u>6,000,000</u>	<u>2,755,000</u>	<u>1,150,000</u>	<u>1,180,000</u>	<u>425,000</u>					
Total Governmental Activities Principal Portion		<u>\$108,420,000</u>	<u>\$ 82,895,000</u>	<u>\$6,590,000</u>	<u>\$6,830,000</u>	<u>\$6,335,000</u>	<u>\$6,075,000</u>	<u>\$6,250,000</u>	<u>\$26,830,000</u>	<u>\$19,255,000</u>	<u>\$ 4,730,000</u>
GOVERNMENTAL ACTIVITIES INTEREST PORTION											
Contractual Obligations			\$ 18,536,976	\$2,569,781	\$2,349,473	\$2,135,118	\$1,933,748	\$1,725,662	\$ 5,686,569	\$ 1,985,742	\$ 150,883
General Obligation Bonds			<u>125,474</u>	<u>69,451</u>	<u>42,083</u>	<u>13,940</u>					
Total Governmental Activities Interest Portion			<u>18,662,450</u>	<u>2,639,232</u>	<u>2,391,556</u>	<u>2,149,058</u>	<u>1,933,748</u>	<u>1,725,662</u>	<u>5,686,569</u>	<u>1,985,742</u>	<u>150,883</u>
Total Governmental Activities Debt Service Requirements			<u>\$ 101,557,450</u>	<u>\$9,229,232</u>	<u>\$9,221,556</u>	<u>\$8,484,058</u>	<u>\$8,008,748</u>	<u>\$7,975,662</u>	<u>\$32,516,569</u>	<u>\$21,240,742</u>	<u>\$ 4,880,883</u>

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	Lowest/ Highest Coupon Rate	Original Issue Amount	Unmatured Bond/Interest at 12/31/23	2024	2025	2026	2027	2028	2029-2033	2034-2038	2039-2043	2044-2048	2049-2053
BUSINESS-TYPE ACTIVITIES PRINCIPAL PORTION													
WATER AND SEWER SYSTEM													
2014 Water and Sewer Revenue Bonds	2.0/3.0	\$ 17,690,000	\$ 6,210,000	\$ 965,000	\$ 990,000	\$ 1,020,000	\$ 1,050,000	\$ 1,075,000	\$ 1,110,000	\$ -	\$ -	\$ -	\$ -
2016 Water and Sewer Revenue Bonds	2.15	21,255,000	8,220,000	1,380,000	1,410,000	1,440,000	1,470,000	1,500,000	1,020,000				
Water SRF Loans	1.03	19,350,610	16,845,471	901,760	911,092	920,521	930,046	939,672	4,846,254	5,102,262	2,293,864		
Total Water and Sewer Bonds and Loans		58,295,610	31,275,471	3,246,760	3,311,092	3,380,521	3,450,046	3,514,672	6,976,254	5,102,262	2,293,864		
SANITATION													
2018 Resource Recovery Bonds	2.96	11,085,000	7,040,000	1,090,000	1,120,000	1,155,000	1,190,000	1,225,000	1,260,000				
Total Sanitation Bonds		11,085,000	7,040,000	1,090,000	1,120,000	1,155,000	1,190,000	1,225,000	1,260,000				
PARKING SERVICES													
Contractual Obligations Related to:													
2015 Downtown Savannah Authority Bonds	2.0/4.0	25,055,000	18,120,000	1,665,000	1,740,000	1,820,000	1,910,000	2,005,000	8,980,000				
2016 Downtown Savannah Authority Bonds	2.6/4.05	33,060,000	31,300,000	915,000	940,000	965,000	995,000	1,025,000	5,665,000	6,780,000	8,235,000	5,780,000	
2018 Downtown Savannah Authority Bonds	3.6/4.00	30,205,000	27,780,000	1,285,000	1,335,000	1,390,000	1,445,000	1,500,000	8,410,000	10,140,000	2,275,000		
2019 Downtown Savannah Authority Bonds	2.5/4.00	9,685,000	9,685,000		260,000	270,000	280,000	290,000	1610,000	1,850,000	2,120,000	2,465,000	540,000
2020 Downtown Savannah Authority Bonds	2.12	8,605,000	8,025,000	595,000	605,000	620,000	635,000	645,000	3,445,000	1,480,000			
Total Parking Services Contractual Obligations		106,610,000	94,910,000	4,460,000	4,880,000	5,065,000	5,265,000	5,465,000	28,110,000	20,250,000	12,630,000	8,245,000	540,000
CIVIC CENTER													
Contractual Obligations Related to:													
2019 Downtown Savannah Authority Bonds	3.0/3.2	45,120,000	42,650,000	620,000	735,000	855,000	975,000	1,105,000	6,995,000	8,230,000	9,545,000	11,145,000	2,445,000
Total Civic Center Contractual Obligations		45,120,000	42,650,000	620,000	735,000	855,000	975,000	1,105,000	6,995,000	8,230,000	9,545,000	11,145,000	2,445,000
Total Business-type Activities Principal Portion		\$ 221,110,610	\$ 175,875,471	\$ 9,416,760	\$ 10,046,092	\$ 10,455,521	\$ 10,880,046	\$ 11,309,672	\$ 43,341,254	\$ 33,582,262	\$ 24,468,864	\$ 19,390,000	\$ 2,985,000
BUSINESS-TYPE ACTIVITIES INTEREST PORTION													
Water and Sewer Bonds and Loans			\$ 2,725,724	\$ 518,690	\$ 450,604	\$ 380,703	\$ 309,483	\$ 236,296	\$ 550,437	\$ 252,835	\$ 26,676	\$ -	\$ -
Sanitation Resource Recovery Bonds			747,104	208,384	176,120	142,968	108,780	73,556	37,296				
Parking Services Contractual Obligations			35,551,382	3,326,573	3,170,796	2,997,686	2,834,978	2,664,769	10,502,042	6,312,987	2,938,536	786,545	16,470
Civic Center Contractual Obligations			20,936,259	1,315,384	1,296,784	1,274,734	1,249,083	1,219,832	5,532,462	4,405,062	3,082,203	1,482,475	78,240
Total Business-type Activities Interest Portion			59,960,469	5,369,031	5,094,304	4,796,091	4,502,324	4,194,453	16,622,237	10,970,884	6,047,415	2,269,020	94,710
Total Business-type Activities Debt Service Requirements			\$ 235,835,940	\$ 14,785,791	\$ 15,140,396	\$ 15,251,612	\$ 15,382,370	\$ 15,504,125	\$ 59,963,491	\$ 44,553,146	\$ 30,516,279	\$ 21,659,020	\$ 3,079,710

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(B) The following are changes in the long-term liabilities for the year ended December 31, 2023:

	Restated Balance at 12/31/2022	2023 Issues	2023 Retirements	Balance 12/31/23	Unamortized (Discounts)/ Premiums	Balance 12/31/23	Amounts Due Within One Year	Accrued Interest at 12/31/23
Governmental Activities:								
Contractual Obligations relating to:								
2014 Downtown Savannah Authority Bonds	\$ 2,800,000	\$ -	\$ 895,000	\$ 1,905,000	\$ 40,996	\$ 1,945,996	\$ 935,000	\$ 31,750
2015 Downtown Savannah Authority Bonds	13,930,000		935,000	12,995,000	170,505	13,165,505	965,000	185,933
2016 Downtown Savannah Authority Bonds	5,765,000		775,000	4,990,000		4,990,000	790,000	42,207
2017 Downtown Savannah Authority Bonds	5,390,000		620,000	4,770,000		4,770,000	635,000	47,501
2018 Downtown Savannah Authority Bonds	12,320,000		560,000	11,760,000	395,648	12,155,648	590,000	172,492
2019 Downtown Savannah Authority Bonds	8,365,000		25,000	8,340,000		8,340,000	25,000	95,563
2021 Savannah Economic Development Authority Bonds	26,720,000			26,720,000	3,253,170	29,973,170	1,105,000	73,808
2022 Savannah Economic Development Authority Bonds	6,095,000			6,095,000		6,095,000	290,000	13,460
2023 Savannah Economic Development Authority Bonds		2,565,000		2,565,000		2,565,000	105,000	25,343
Bonds and notes payable:								
General Obligation Bond 2016	1,030,000		335,000	695,000		695,000	345,000	5,705
General Obligation Bond 2017	1,220,000		400,000	820,000		820,000	405,000	6,287
General Obligation Bond 2018	1,625,000		385,000	1,240,000		1,240,000	400,000	16,947
Total bonds and notes payable	85,260,000	2,565,000	4,930,000	82,895,000	3,860,319	86,755,319	6,590,000	716,996
Other liabilities:								
Leases	7,758,309	8,014,989	3,444,923	12,328,375		12,328,375	3,838,343	
Subscriptions (see note)	428,166	306,854	532,424	202,596		202,596	102,272	
Compensated absences	22,459,348	11,126,339	8,220,459	25,365,228		25,365,228	8,082,656	
Net pension liability	34,442,158	17,386,454	(65,970,133)	117,798,745		117,798,745		
Claims and judgments	6,145,519	48,191,821	44,498,901	9,838,439		9,838,439	6,880,538	
Total other liabilities	71,233,500	85,026,457	(9,273,426)	165,533,383		165,533,383	18,903,809	
Governmental Activities long-term liabilities	\$156,493,500	\$ 87,591,457	\$ (4,343,426)	\$248,428,383	\$ 3,860,319	\$252,288,702	\$ 25,493,809	\$ 716,996

Note: the beginning balance for subscriptions was restated for the implementation of GASB Statement No. 96.

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	Balance at 12/31/2022	2023 Issues	2023 Retirements	Balance 12/31/23	Unamortized (Discounts)/ Premiums	Balance 12/31/23	Amounts Due Within One Year	Accrued Interest at 12/31/23
Business-type Activities:								
Bonds and notes payable:								
Water and Sewer Revenue Bonds 2014	\$ 7,150,000	\$ -	\$ 940,000	\$ 6,210,000	\$ 91,908	\$ 6,301,908	\$ 965,000	\$ 15,525
Water and Sewer Revenue Bonds 2016	9,570,000		1,350,000	8,220,000		8,220,000	1,380,000	14,728
Sewer SRF Loans	17,737,994		892,523	16,845,471		16,845,471	901,760	14,459
Resource Recovery Bonds 2018	8,095,000		1,055,000	7,040,000		7,040,000	1,090,000	86,827
Contractual obligations relating to:								
Downtown Savannah Authority Bonds 2015	19,715,000		1,595,000	18,120,000	259,530	18,379,530	1,665,000	253,737
Downtown Savannah Authority Taxable Bonds 2016	32,190,000		890,000	31,300,000	(72,175)	31,227,825	915,000	488,146
Downtown Savannah Authority Taxable Bonds 2018	29,015,000		1,235,000	27,780,000	245,142	28,025,142	1,285,000	449,678
Downtown Savannah Authority Taxable Bonds 2019	9,685,000			9,685,000	142,429	9,827,429		123,623
Downtown Savannah Authority Taxable Bonds 2019	43,250,000		600,000	42,650,000	502,880	43,152,880	620,000	548,076
Downtown Savannah Authority Taxable Bonds 2020	8,605,000		580,000	8,025,000		8,025,000	595,000	70,888
Total bonds and notes payable	185,012,994		9,137,523	175,875,471	1,169,714	177,045,185	9,416,760	2,065,687
Other liabilities:								
Leases	4,197,527		523,244	3,674,283		3,674,283	526,958	
Compensated absences	3,134,537	2,001,161	1,329,685	3,806,013		3,806,013	1,297,279	
Net pension liability	10,565,927	4,716,844	(16,675,344)	31,958,115		31,958,115		
Closure and Postclosure Liability	15,672,236	1,672,803		17,345,039		17,345,039		
Total other liabilities	33,570,227	8,390,808	(14,822,415)	56,783,450		56,783,450	1,824,237	
Business-type Activities long-term liabilities	\$218,583,221	\$ 8,390,808	\$ (5,684,892)	\$232,658,921	\$ 1,169,714	\$233,828,635	\$ 11,240,997	\$ 2,065,687

Bond discounts and premiums are amortized over the term of the bonds using the straight-line method unless the result is materially different from the effective interest method, in which case the effective interest method is used. Bond discounts and premiums are presented as adjustments to the face amount of contractual obligations and bonds payable.

Liquidations of long-term liabilities other than debt have typically occurred in prior years in the following manner:

- 1) Leases are paid by the fund benefitting from the use of the underlying leased assets.
- 2) Subscriptions are paid by the Revolving Fund, an internal service fund funded by all City departments.
- 3) Compensated absences, Net Pension Liability and Net OPEB Liability are paid by the fund where the employee's position is budgeted. Most of the City's employees are paid from the General Fund.
- 4) Claims and judgements are paid from the Risk Management Fund, an internal service fund funded by all City departments.

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

- 5) Contractual obligations relating to the Downtown Savannah Authority Bonds, Series 2016, the Downtown Savannah Authority Bonds, Series 2017, and the Downtown Savannah Authority Bonds, Series 2018 are liquidated by the General Obligation Bonds Debt Service Fund, a non-major fund. Contractual obligations relating to the Downtown Savannah Authority Bonds, Series 2014, Series 2015 and Series 2019 are liquidated by the Tax Allocation District I Fund, a non-major fund. Contractual obligations relating to the Savannah Economic Development Authority Bonds, Series 2021, Series 2022 and Series 2023 are liquidated by the General Obligation Bonds Debt Service Fund, a non-major fund.
- 6) General obligation bonds are liquidated by the SPLOST 2020-2026 Fund.

(C) Governmental Activities Bonds and Notes Payable

The unmatured principal of these liabilities is shown on the Statement of Net Position in the governmental activities column. In the fund financial statements, current debt service is reported in the debt service funds and in the Tax Allocation District I Fund, and the SPLOST 2020-2026 Fund.

(1) General Obligation Bonds

The City is authorized to issue, under the provisions of the Constitution of the State of Georgia, general obligation bonds for street and drainage improvements without a referendum, provided that (1) the issuance of such bonds is authorized at a public meeting held for such purpose and (2) not more than 10% of the total unused bond capacity of the City, and in no event more than \$2,000,000 in the aggregate principal amount of such bonds, shall be issued in any fiscal year.

During 2016, the City issued \$2,000,000 in general obligation bonds to partially fund the design and construction of streetscape improvements to the downtown corridors and pay all issuance costs. The bonds bear interest at a fixed rate of 1.97% and mature serially beginning August 1, 2020.

During 2017, the City issued \$2,000,000 in general obligation bonds to partially fund the design and construction of streetscape improvements to the downtown corridors and pay all issuance costs. The bonds bear interest at a fixed rate of 1.84% and mature serially beginning August 1, 2021.

During 2018, the City issued \$2,000,000 in general obligation bonds to partially fund the design and construction of streetscape improvements to the downtown corridors and pay all issuance costs. The bonds bear interest at a fixed rate of 3.28% and mature serially beginning August 1, 2022.

(2) Contractual Obligations

During 2014, the City exercised its optional redemption on certain maturities of the Downtown Savannah Authority's Series 2009B bonds totaling \$10,425,000. In order to fund the optional redemption during 2014, the City entered into a contractual obligation related to the Downtown Savannah Authority Refunding Revenue Bonds, Series 20014, tax-exempt bonds issued in the principal amount of \$9,970,000. The proceeds of the bond sale were used to currently refund certain maturities of the Downtown Savannah Authority Revenue Bonds, Series 2009B, which had a principal balance of \$10,425,000 at refunding, and to cover issuance costs. The bonds bear interest at fixed rates ranging from 2.00% to 4.00% and mature serially beginning August 1, 2014. The refunding was undertaken to reduce total future debt service payments. The reacquisition price was lower than the net carrying amount of the old debt by \$24,408. This amount is classified as a deferred inflow of resources on the statement of net position and will

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

be amortized over the life of the new debt. The transaction also resulted in an economic gain of \$522,498 and a reduction of \$589,116 in future debt service payments.

During 2019, the City exercised its optional redemption on the remaining maturities of the Authority's Series 2009B bonds totaling \$8,270,000. In order to fund the optional redemption during 2019, the City entered into a contractual obligation related to the Downtown Savannah Authority Refunding Revenue Bonds, Series 2019, tax-exempt bonds issued in the principal amount of \$8,440,000. The proceeds of the bond sale were used to currently refund certain maturities of the Downtown Savannah Authority Revenue Bonds, Series 2009B, which had a principal balance of \$8,270,000 at refunding, and to cover issuance costs. The bonds bear interest at a fixed rate of 2.75% and mature serially beginning August 1, 2020. The refunding was undertaken to reduce total future debt service payments. The reacquisition price was lower than the net carrying amount of the old debt by \$45,836. This amount is classified as a deferred inflow of resources on the statement of net position and will be amortized over the life of the new debt. The transaction resulted in an economic gain of \$547,420 and a reduction of \$652,133 in future debt service payments.

During 2015, the City entered into a contractual obligation related to the Downtown Savannah Authority Refunding Revenue Bonds, Series 2015, tax-exempt bonds issued in the principal amount of \$45,005,000. Of this amount, \$25,055,000 was allocated to the Parking Services Fund to currently refund the Downtown Savannah Authority Revenue Bonds, Series 2005, which had a principal balance of \$24,820,000 at refunding, and to cover issuance costs. The remaining proceeds of the bond sale, \$19,950,000, were allocated to the governmental activities and used for the purpose of acquiring, constructing and equipping improvements to the downtown area of the City and paying issuance costs related to the bonds. The bonds bear interest at fixed rates ranging from 2.00% to 4.00% and mature serially beginning August 1, 2016.

During 2016, the City entered into a contractual obligation related to the Downtown Savannah Authority Tax Exempt Revenue Bonds, Series 2016, issued in the principal amount of \$8,000,000. The proceeds of the bond sale are for the purpose of partially funding the design and construction of streetscape improvements to downtown corridors and paying issuance costs related to the bonds. The bonds bear interest at a fixed rate of 2.03% and mature serially beginning August 1, 2020.

During 2017, the City entered into a contractual obligation related to the Downtown Savannah Authority Tax Exempt Revenue Bonds, Series 2017, issued in the principal amount of \$6,585,000. The proceeds of the bond sale are for the purpose of partially funding the design and construction of streetscape improvements to downtown corridors and paying issuance costs related to the bonds. The bonds bear interest at a fixed rate of 2.39% and mature serially beginning August 1, 2021.

During 2018, the City entered into a contractual obligation related to the Downtown Savannah Authority Tax Exempt Revenue Bonds, Series 2018, issued in the principal amount of \$14,095,000. The proceeds of the bond sale are for the purpose of funding the acquisition and construction of public infrastructure improvements in the west River Street area of downtown. The bonds bear interest at fixed rates ranging from 3.00% to 5.00% and mature serially beginning August 1, 2019.

The Downtown Savannah Authority's Series 2014, Series 2015, Series 2016, Series 2017, Series 2018 and Series 2019 bonds are not a direct debt of the City; however, under the contract between the Authority and the City, the City is obligated to exercise its power of taxation to the extent necessary to pay the amounts required under the contract. Such contractually required payments will be sufficient to pay the principal and interest on the bonds when due. Such contractually required amounts are presented on page 67.

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

During 2021, the City entered into a contractual obligation related to the Savannah Economic Development Authority Tax Exempt Revenue Bonds, Series 2021, issued in the principal amount of \$26,720,000. The proceeds of the bond sale were made available to the City to design and construct certain infrastructure improvements adjacent to Veterans Parkway to support a warehouse development and to pay issuance costs related to the bonds. The bonds bear interest at fixed rates ranging from 2.00% to 5.00% and mature serially beginning December 1, 2024.

During 2022, the City entered into a contractual obligation related to the Savannah Economic Development Authority Tax Exempt Revenue Bonds, Series 2022, issued in the principal amount of \$6,095,000. The proceeds of the bond sale were made available to the City to design and construct certain infrastructure improvements adjacent to Veterans Parkway to support a warehouse development and to pay issuance costs related to the bonds. The bonds bear interest at a fixed rate of 2.65% and mature serially beginning December 1, 2024.

During 2023, the City entered into a contractual obligation related to the Savannah Economic Development Authority Tax Exempt Revenue Bonds, Series 2023, issued in the principal amount of \$2,565,000. The proceeds of the bond sale were made available to the City to design and construct certain infrastructure improvements adjacent to Veterans Parkway to support a warehouse development and to pay issuance costs related to the bonds. The bonds bear interest at a fixed rate of 4.94% and mature serially beginning December 1, 2024.

The Savannah Economic Development Authority's Series 2021, Series 2022 and Series 2023 bonds are not a direct debt of the City; however, under the contract between the Authority and the City, the City is obligated to exercise its power of taxation to the extent necessary to pay the amounts required under the contract. Such contractually required payments will be sufficient to pay the principal and interest on the bonds when due. Such contractually required amounts are presented on page 67.

(D) Business-type Bonds and Notes Payable

The unmaturing principal of revenue bonds, notes, and contractual obligations are shown on the Statement of Net Position in the business-type activities column. In the fund financial statements, the outstanding balances are included in the respective proprietary funds and paid through these funds.

(1) Water and Sewer Revenue Bonds

During 2014, the City exercised its optional redemption on certain maturities of the Water and Sewer Improvement Revenue Bonds, 2009B bonds totaling \$13,970,000. In order to fund the optional redemption during 2014, the City issued Water and Sewer Revenue Refunding Bonds, Series 2014 in the principal amount of \$17,690,000. The proceeds of the bond sale were used to (1) refinance, at lower rates, the outstanding maturities of the Series 2003 bonds, which had a principal balance of \$3,720,000 at refunding, (2) refinance at lower rates a portion of the outstanding maturities of the Series 2009B bonds totaling \$13,970,000 and, (3) pay all costs incidental to the issuance of the Series 2014 bonds. The bonds bear interest at fixed rates ranging from 2.00% to 3.00% and mature serially beginning December 1, 2015. The refunding was undertaken to reduce total future debt service payments. The reacquisition price exceeded the net carrying amount of the old debt by \$87,573. This amount is classified as a deferred outflow of resources in the Water and Sewer Fund and will be amortized over the life of the new debt. The transaction also resulted in an economic gain of \$962,419 and a reduction of \$1,117,334 in future debt service payments. A maturity schedule for the water and sewer revenue bonds is shown on page 68.

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

During 2016, the City issued the Water and Sewer Refunding Bond, Series 2016 in the principal amount of \$21,255,000. 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 the State of Georgia under the State Revolving Fund Program (SRF) and (2) fund all expenses incidental to the issuance of the Bond. The bond bears interest at a fixed rate of 2.15% with principal repayment beginning February 2016 and continuing monthly thereafter. The refunding was undertaken to reduce total future debt service payments. The reacquisition price exceeded the net carrying amount of the old debt by \$318,092. This amount is classified as a deferred outflow of resources in the Water and Sewer Fund and will be amortized over the life of the new debt. The transaction also resulted in an economic gain of \$1,037,203 and a reduction of \$1,196,427 in future debt service payments.

The Series 2014 and Series 2016 bond resolutions require the contribution of monthly installments for future principal and interest payments, and the maintenance of a debt service reserve in a Sinking Fund. For December 31, 2023 the debt service reserve requirement is calculated as 10% of the par value of bonds outstanding, which is \$1,672,000. The debt service reserve requirement is met with cash held in the Sinking Fund. Monies in the debt service reserve can be used only to pay principal and interest on the bonds if there would otherwise be a default. The Series 2014 and Series 2016 bonds are secured solely by a first lien upon the gross revenues derived from the water and sewer system and are not secured by the general credit of the City.

At December 31, 2023, the sinking fund requirements and actual balances were as follows:

Sinking Fund Requirements:	
Interest requirements (for June 1, 2024)	\$ 30,253
Principal requirements (for December 1, 2024)	195,417
Debt Service Reserve	<u>1,672,000</u>
Total requirements at December 31, 2023	<u>1,897,670</u>
Sinking Fund Resources:	
Cash and investments in sinking fund at December 31, 2023	<u>1,897,670</u>
Surplus	\$ <u>0</u>

(2) Water and Sewer Loan Agreements

Other liabilities of the Water and Sewer Fund include loan agreements the City has entered into with the State of Georgia under the State Revolving Fund Program (SRF). The SRF makes low interest loans to public sewer systems for capital improvements. The SRF program is funded by a combination of State funds and a grant to the State from the Federal Environmental Protection Agency. The following table shows details of all the SRF loans at December 31, 2023.

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year of Loan	Project Description	Total Loan Commitment	Interest Rate (%)	Amortization Period (Years)	Amount Drawn	<u>-As of December 31, 2023-</u>	
						Principal Retired	Loan Payable
2014	President Street Biosolids Handling Facility	\$ 28,470,000	1.03%	20	\$19,350,610	\$ 2,505,139	\$16,845,471
		<u>\$ 28,470,000</u>			<u>\$19,350,610</u>	<u>\$ 2,505,139</u>	<u>\$16,845,471</u>

(3) Parking Services Contractual Obligations

As discussed previously, in 2015, the City entered into a contractual obligation related to the Downtown Savannah Authority Revenue Refunding Bonds, Series 2015 issued in the principal amount of \$45,005,000. The proceeds of the bond sale were made available to the City to (1) refund and redeem all of the Authority's Series 2005 Bonds outstanding (2) acquire, construct and equip improvements to the downtown area of the City and (3) fund all expenses incidental to the issuance of the bonds. The portion of the bond proceeds used by the City's Parking Services Fund to refund debt and pay issuance costs amounted to \$25,055,000 and has been allocated to the Parking Services Fund. The bonds bear interest at a fixed rate between 2.00% and 4.00% and mature serially beginning August 1, 2019. The refunding was undertaken to reduce total future debt service payments. The reacquisition price exceeded the net carrying amount of the old debt by \$250,394. This amount is classified as a deferred outflow of resources in the Parking Fund and will be amortized over the life of the new debt. The transaction also resulted in an economic gain of \$3,438,002 and a reduction of \$4,258,436 in future debt service payments.

In 2016, the City entered into a contractual obligation related to the Downtown Savannah Authority Taxable Revenue Bonds, Series 2016 issued in the principal amount of \$33,060,000. The proceeds of the bond sale were made available to the City in order to provide funds necessary to develop, acquire, construct, and equip underground parking facilities in the downtown area of the City and pay issuance costs related to the bonds. The bonds bear interest at fixed rates ranging from 2.60% to 4.05% and mature serially beginning August 1, 2022.

In 2018, the City entered into a contractual obligation related to the Downtown Savannah Authority Taxable Revenue Bonds, Series 2018 issued in the principal amount of \$30,205,000. The proceeds of the bond sale were made available to the City in order to provide funds necessary to develop, acquire, construct, and equip underground parking facilities in the downtown area of the City and pay issuance costs related to the bonds. The bonds bear interest at fixed rates ranging from 3.60% to 4.00% and mature serially beginning August 1, 2022.

In 2019, the City entered into a contractual obligation related to the Downtown Savannah Authority Taxable Revenue Bonds, Series 2019 issued in the principal amount of \$9,685,000. The proceeds of the bond sale were made available to the City in order to provide funds necessary to develop, acquire, construct, and equip underground parking facilities in the downtown area of the City and pay issuance costs related to the bonds. The bonds bear interest at fixed rates ranging from 2.50% to 4.00% and mature serially beginning August 1, 2025.

In 2020, the City entered into a contractual obligation related to the Downtown Savannah Authority Taxable Revenue Bonds, Series 2020 issued in the principal amount of \$8,605,000. The proceeds of the bond sale were made available to the City in order to provide funds necessary to

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

develop, acquire, construct, and equip parking facilities near the new civic center arena site and pay issuance costs related to the bonds. The bonds bear interest at a fixed rate of 2.12% and mature serially beginning August 1, 2023.

The Authority's Series 2015, Taxable Series 2016, Taxable Series 2018, Taxable Series 2019 and Taxable Series 2020 bonds are not a direct debt of the City; however, under the contract between the Authority and the City, the City is obligated to exercise its power of taxation to the extent necessary to pay the amounts required under the contract. Such contractually required amounts are presented on page 68.

(5) Civic Center Contractual Obligations

In 2019, the City entered into a contractual obligation related to the Downtown Savannah Authority Taxable Revenue Bonds, Series 2019 issued in the principal amount of \$45,120,000. The proceeds of the bond sale were made available to the City in order to provide funds necessary to develop, acquire, construct, and equip a new civic center arena and related improvements in the downtown area of the City and pay issuance costs related to the bonds. The bonds bear interest at fixed rates ranging from 3.00% to 3.20% and mature serially beginning August 1, 2020.

The Authority's Taxable Series 2019 bonds are not a direct debt of the City; however, under the contract between the Authority and the City, the City is obligated to exercise its power of taxation to the extent necessary to pay the amounts required under the contract. Such contractually required amounts are presented on page 68.

(6) Sanitation Fund Resource Recovery Bonds

In 2018, the City entered into a contractual obligation related to the Resource Recovery Development Authority Revenue Bond, Series 2018 issued in the principal amount of \$11,085,000. The proceeds of the bond sale were made available to the City in order to provide funds necessary to develop, acquire, construct, and equip a landfill expansion at the City's Dean Forest Road facility and pay issuance costs related to the bond. The bond bears interest at a fixed rate of 2.96% and matures serially beginning August 1, 2020.

The Authority's Series 2018 bonds are not a direct debt of the City; however, under the contract between the Authority and the City, the City is obligated to exercise its power of taxation to the extent necessary to pay the amounts required under the contract. Such contractually required amounts are presented on page 68.

NOTE 7 - LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

(A) City as Lessee

(1) Governmental Activities

In 2021, the City entered into a leasing agreement as lessee for the use of passenger vehicles and light duty trucks for a lease term of five years. The lease agreement is a multi-year agreement under which the lessor will provide vehicles to the City as requested by the City and as available to

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

the lessor. During 2023, the City received 145 vehicles under the agreement and recorded a corresponding lease liability of \$4,976,413. The remaining lease liability as of year end was \$8,376,639. The City used an interest rate of 3.86% to value the leases. The total value of the right-to-use assets at December 31, 2023 was \$10,969,215 and accumulated amortization of \$2,625,295.

In 2023, the City entered into a leasing agreement as lessee for the use of commercial lawnmowers for a lease term of twenty months. During 2023, the City received 37 mowers during 2023 under the agreement and recorded a corresponding lease liability of \$522,549. The remaining lease liability as of year end was \$456,017. The lease agreement contained a nominal annual interest rate of 7.10%. The total value of the right-to-use assets at December 31, 2023 was \$522,549 and accumulated amortization of \$38,356.

In addition to the vehicle and mower leases, the City has entered into leases for office space to support various General Fund activities. The table that follows provides information related to these leases:

Location	Commencement Date	Lease Term in Years	Interest Rate	Initial Lease Liability	Lease Liability at Year End
305 Fahm Street	2019	5	2.98%	\$ 2,359,921	\$ 193,360
2250 E. Victory Drive	2018	7	3.05%	987,527	140,891
602 E. Lathrop Avenue	2018	7	3.05%	2,379,154	334,447
5521 Abercorn Street	2021	5	1.05%	141,030	78,163
6600 Abercorn Street	2023	5	5.00%	1,971,521	1,660,608
1900 E. Victory Drive B-5	2023	5	5.00%	35,145	31,832
1000 Business Center Drive	2023	4	5.00%	411,232	411,232
					<u>\$ 2,850,533</u>

The City also leases various office space to support workforce development activities within the Grant Fund, a non-major, special revenue fund. The following table provides information related to these leases:

Location	Commencement Date	Lease Term in Years	Interest Rate	Initial Lease Liability	Lease Liability at Year End
1600 Union Street	2021	5	3.50%	\$ 206,605	\$ 104,893
305 S. Main Street	2021	3	3.50%	183,345	14,379
7216 Skidaway Road	2021	5	3.50%	831,758	393,352
140-142 E. MLK Jr. Drive	2022	3	3.50%	126,932	58,134
1712 Osborne Road Unit G	2023	2	5.00%	25,028	22,803
410 S. Columbia Avenue	2023	3	5.00%	73,099	51,625
					<u>\$ 645,186</u>

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Debt service requirements to maturity as of December 31, 2023, are as follows:

<u>Year Ending Dec 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 3,838,343	\$ 428,525	\$ 4,266,868
2025	3,238,844	321,216	3,560,060
2026	2,756,572	311,679	3,068,251
2027	1,819,942	230,294	2,050,236
2028	647,992	94,422	742,414
2029 through 2033	26,682	7,372	34,054
Total	<u>\$ 12,328,375</u>	<u>\$ 1,393,508</u>	<u>\$ 13,721,883</u>

(2) Business-Type Activities

Parking Services Fund. In 2020, the City entered into a 10 year lease agreement as lessee for the use of 22.5 acres located on West Gwinnett Street to use as a parking lot for the Enmarket Arena. The initial lease liability was calculated as \$5,305,893 using the City's incremental borrowing rate of 2.274%. As of December 31, the value of the lease liability was \$3,674,283.

Debt service requirements to maturity as of December 31, 2023, are as follows:

<u>Year Ending Dec 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 526,958	\$ 49,592	\$ 576,550
2025	530,699	63,148	593,847
2026	534,466	77,196	611,662
2027	538,260	91,752	630,012
2028	542,081	106,831	648,912
2029 through 2033	1,001,819	237,399	1,239,218
Total	<u>\$ 3,674,283</u>	<u>\$ 625,918</u>	<u>\$ 4,300,201</u>

(B) City as Lessor

The City leases property for use by others for terms varying from 3 to 50 years. Total revenues from rental of property for the City's governmental activities and business-type activities were \$1,240,701, and \$746,945, respectively, for the year ended December 31, 2023. Variable payments and

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

short-term lease payments totaled \$1,007,175 for the City's governmental activities for the year, including \$79,178 in in-kind rent for Grayson Stadium. Variable payments and short-term lease payments totaled \$275,247 for the City's business-type activities for the year, including \$100,678 in in-kind rent for Bacon Park Golf Course and \$29,116 for the City's Enmarket Arena.

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

Year Ended December 31	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 224,662	\$ 157,697	\$ 489,498	\$ 60,502
2025	196,518	172,493	461,791	88,209
2026	77,205	102,910	475,256	124,744
2027	74,257	111,496	448,355	151,645
2028	71,430	120,190	422,976	177,024
2029-2033	60,902	470,636	1,071,431	628,569
2034-2038	5,102	208,125		
Total Minimum Revenues	\$ 710,076	\$ 1,343,547	\$3,369,307	\$ 1,230,693

(C) Subscription-Based Information Technology Arrangements

The City has entered into SBITA involving various desktop and server software. As of December 31, 2023, all SBITA have fixed, periodic, payments over the subscription periods, which range from 3 to 5 years and expire no later than fiscal year 2026. There are no commitments or outflows of resources related to SBITA that are not yet effective. The ending SBITA liability as of December 31, 2023 was \$202,596 and was reported in the Governmental Activities on the Statement of Net Position and was reported in the Revolving Fund, an internal service fund, at the fund level. See Note 5 for changes in subscription right-of-use assets for the year ended December 31, 2023.

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Future subscription payments as of December 31, 2023, are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 102,272	\$ 5,114	\$ 107,386
2025	100,324	10,284	110,608
Total	<u>\$ 202,596</u>	<u>\$ 15,398</u>	<u>\$ 217,994</u>

NOTE 8 - LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

State and federal laws and regulations require that the City place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision is being recognized based on the estimated future closure and postclosure care costs to be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and postclosure care costs is based on the amount of landfill capacity utilized during the year. In 2023, the City recognized a postclosure expense of \$1,672,803, which is based on 48.193303% usage (filled) of the landfill. It is estimated that an additional \$18,645,520 will be recognized as closure and postclosure care expenses through the date the landfill is expected to be filled to capacity. The estimated total cost of the landfill closure and postclosure care (\$35,990,559) is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of December 31, 2023. Based on landfill capacity, the estimated remaining useful life of the landfill is approximately 30.9 years. The actual cost of closure and postclosure care may fluctuate annually due to inflation, changes in technology, or changes in environmental laws and regulations.

At December 31, 2023, the City had accrued \$17,345,039 in landfill closure and postclosure costs. This amount was determined as follows:

Estimated total cost of closure and postclosure care	\$35,990,559
Percent utilized at 12/31/23	<u>48.193303</u>
Total postclosure and closure liability at 12/31/23	17,345,039
Less amount recognized in prior years	<u>15,672,236</u>
Current year closure/postclosure expense	<u>\$ 1,672,803</u>

The City will fund the closure and postclosure care costs with user fees and subsidies from the General Fund. As of December 31, 2023, no amount of assets had been restricted for the payment of closure and postclosure care costs. The landfill postclosure and closure liability of \$17,345,039 is included in long-term liabilities on the Statement of Net Position.

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 9 - OTHER EMPLOYEE BENEFITS

(1) Plan Description

Plan Administration. The City administers an agent multiple-employer defined benefit OPEB plan (the City of Savannah Employee Benefit Plan) to provide medical and life insurance benefits to its retirees. Membership in the Plan by City retirees is voluntary. In addition to eligible City retirees, eligible retirees of the Savannah Airport Commission, Metropolitan Planning Commission and Chatham-Savannah Youth Futures Authority may also participate in the Plan. The Savannah Airport Commission and the Youth Futures Authority elected to discontinue coverage under the Plan for active employees; however, it continues to cover retirees who elected coverage previously. The Plan's trustee is designated as the City of Savannah with the City's Chief Financial Officer serving as the Trustee contact and its Assistant Chief Financial Officer as an alternate contact.

Plan membership. The Plan covers both general and uniform employees of the participating employers. At December 31, 2021, membership in the OPEB plan was as follows:

Retirees and beneficiaries currently receiving benefits	1,455
Active plan participants	<u>2,096</u>
Total	<u>3,551</u>

Benefits provided. The Plan provides members, upon eligible retirement, with healthcare insurance and life insurance benefits. The benefits provided are not guaranteed and are subject to change at any time. In addition, the benefit provisions are subject to annual appropriation of funds by the City's Mayor and Aldermen. The Plan does not provide for automatic or ad hoc postretirement benefit increases; however, the benefit provisions provided by the Plan may be amended, established or terminated at any time by a vote of the City's Mayor and Aldermen. The Plan Document specifies the types and levels of Plan benefits as well as member contribution requirements. The City of Savannah provides administration of the Plan, including setting funding policies, and reports the Plan as a fiduciary fund in its annual comprehensive financial report. The Plan does not issue a stand-alone financial report.

(2) Contributions and Reserves

City contributions. As administrator of the Plan, the Mayor and Aldermen of the City of Savannah are the authority under which the obligations of the plan members and the employers to contribute to the plan are established and are amended.

The funding of the plan is derived from two sources: member contributions and employer contributions. Member contributions are set at a level sufficient to achieve 30 percent of the expected funding target for pre-Medicare retirees and 25 percent for post-Medicare retirees. Employers are required to contribute the remaining amounts needed to achieve the expected funding target. The funding target for a given year is set at a level sufficient to cover expected medical and prescription claims, insurance premiums and administration costs. No contributions to the Plan by the City of Savannah were required for the year ended December 31, 2023.

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(3) OPEB Plan Investments

The investment policy of the Plan is issued for the guidance of fiduciaries, including investment managers and the City, in the course of investing the Trust funds of the City and is consistent with the Prudent Investor Rule and any other applicable statute. Policy guidelines will be amended from time to time by the City both upon its own initiative and upon consideration of the advice and recommendations of the investment managers and Plan professionals, including the Plan's investment consultant. The current policy was adopted by the City in January of 2016 and has not been amended since that time. The purpose of the investment policy is to clearly articulate the City's view on the Trust's investment objectives and risk tolerance. This policy establishes a target asset allocation and benchmarks that will be used to monitor performance.

The current asset allocations for the Plan are as follows:

Asset Class	Asset Class Benchmark	Minimum Weight	Target Weight	Maximum Weight
Large Cap Equity	S&P 500 Index	30%	40%	60%
Small Cap Equity	Russell 2000 Index	5%	10%	15%
International Equity	MSCI EAFE Index (Net)	5%	10%	15%
Real Estate	MSCI U.S. REIT Index	5%	10%	15%
Inflation Protected Bonds	Barclays US Treasury US TIPS Index	0%	10%	15%
Intermediate Aggregate Bonds	Barclays US Aggregate Bond Index	15%	20%	30%
Money Market	Barclays 91-Day US T-Bill Index	0%	0%	5%
Total			100%	

The annual money-weighted rate of return on OPEB plan investments for 2023 was 17.9%. The money-weighted rate of return expresses investment performance, net of OPEB plan investment expense, adjusted for the changing amounts actually invested.

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(4) Net OPEB Asset

The components of the Net OPEB Asset are as follows:

Total OPEB Liability	\$ 77,107,849
Plan Fiduciary Net Position	92,995,547
Net OPEB Asset	-15,887,698
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	120.60%

Changes in the Net OPEB Asset

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Asset (a) - (b)
Balances - beginning of year	\$ 80,498,104	\$ 119,548,995	\$ (39,050,891)
Changes for the Year:			
Service cost	2,255,661		2,255,661
Interest expense	5,564,528		5,564,528
Differences between expected and actual experience	4,905,496		4,905,496
Changes of assumptions	(12,312,140)		(12,312,140)
Contributions--employer		156,581	(156,581)
Contributions--employee		2,265,824	(2,265,824)
Net investment income		(22,557,502)	22,557,502
Benefits paid, including refunds of member contributions	(3,803,800)	(6,069,624)	2,265,824
Plan administrative expenses		(348,727)	348,727
Net Changes	(3,390,255)	(26,553,448)	23,163,193
Balances - end of year	<u>\$ 77,107,849</u>	<u>\$ 92,995,547</u>	<u>\$ (15,887,698)</u>

The Net OPEB Asset was measured as of December 31, 2022. Plan Fiduciary Net Position (plan assets) was valued as of the measurement date and the Total OPEB Liability was determined from an actuarial valuation as of December 31, 2021.

At December 31, 2023, the City reported an amount of \$17,294,345 for its proportionate share of the net OPEB asset. The City's proportionate share was 122.85 percent.

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(5) Actuarial Assumptions

The total OPEB liability was rolled forward from an actuarial valuation as of December 31, 2021 that used the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary Increases	Specific rates by age, varying from 5.50% to 3.50%, including inflation
Discount Rate	7.00% for City of Savannah and Youth Futures. 3.72% (2.06% for December 31, 2021 measurement) for Savannah Airport Commission and Metropolitan Planning Commission.
Healthcare costs trend rates	
Medical	Pre-65: Initial rate is 6.00%, trending down to 4.50% over 6 years. Post-65: Initial rate is 5.00%, trending down to 4.50% over 2 years.
Prescription drug	Initial rate is 8.00%, trending down to 4.50% over 14 years
Administrative costs	3.00%
Mortality Rates	<p><u>Pre-Retirement</u>: Pri-2012 Employee Amount-weighted Mortality Table; projected generationally using a modified version of the SSA-2020 improvement scale.</p> <p><u>Healthy</u>: Pri-2012 Healthy Retiree Amount-weighted Mortality Table, multiplied times 1.25; projected generationally using a modified version of the SSA-2020 improvement scale.</p> <p><u>Disabled</u>: Pri-2012 Disabled Retiree Amount-weighted Mortality Table, multiplied times 1.25; projected generationally with 60% of Scale SSA-2020</p>

Many of the demographic assumptions used in this valuation (including mortality, disability, turnover, retirement, percent married and relative ages of spouses) are the same as used in the City of Savannah Employees' Retirement Plan's Actuarial Valuation and Review as of January 1, 2023, dated August 4, 2023, completed by Segal Consulting. These assumptions were reviewed as part of the pension valuation process, and Segal had no reason to doubt their reasonableness for use in the valuation.

The following presents the Net OPEB liability(asset) as if it were calculated using healthcare cost trend rates that were 1-percentage-point lower or 1-percentage-point higher than the current healthcare trend rates.

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Net OPEB Asset	(\$22,994,460)	(\$15,887,698)	(\$7,507,475)

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Sensitivity of the City's proportionate share of the net OPEB asset to changes in the healthcare cost trend rates. The following presents the City's proportionate share of the net OPEB asset, as well as what the City's proportionate share of the net OPEB asset would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare trend rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Net OPEB Asset	(\$24,257,165)	(\$17,294,345)	(\$9,087,239)

(6) Development of Discount Rate and Investment Rates of Return

A 7.00% discount rate was used to measure the Total OPEB Liability (TOL) as of December 31, 2022. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Plan Fiduciary Net Position (FNP) was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL as of December 31, 2022.

The long-term expected rate of return on OPEB plan investments was determined using a building block method in which best estimate ranges of expected future rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These returns 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 and subtracting expected investment expenses. The projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Domestic Equity	6.91%
International Equity	7.21%
Intermediate Aggregate Bonds	3.71%
Real Estate	3.61%
Inflation Protected Bonds	0.71%

Nature of assets: The assets are maintained in an irrevocable trust dedicated to OPEB.

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The following presents the Net OPEB Asset as if it were calculated using a discount rate that was 1-percentage-point lower or 1-percentage-point higher than the current discount rate.

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
Net OPEB Asset	(\$8,228,560)	(\$15,887,698)	(\$22,418,915)

Sensitivity of the City's proportionate share of the net OPEB asset to changes in the discount rate. The following presents the City's proportionate share of the net OPEB asset, as well as what the City's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1-percentage pointer lower or 1-percentage point higher than the current discount rate:

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
Net OPEB Asset	(\$9,828,135)	(\$17,294,345)	(\$23,666,016)

(7) **Summary of Significant Accounting Policies**

The accrual basis of accounting is used with respect to the recognition in the financial statements of contributions, benefits paid, and refunds paid. Plan investments, if any, are reported at their fair value at the reporting date. The fair value of an investment is the amount that the Plan could reasonably expect to receive for it in a current sale between a willing buyer and a willing seller and for financial reporting purposes is measured by the market price unless such prices are not available, in which case, fair value is estimated. As of December 31, 2023 the Plan reported \$101,764,605 in investments.

The Plan has entered into no long-term contracts for contributions to the Plan with either employers or participants and, therefore, no amounts of contractually required contributions were outstanding at the reporting date.

(8) **OPEB Expense**

For the fiscal year ended December 31, 2023, the City recognized an OPEB expense credit of \$5,571,430.

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(9) Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 4,585,045	\$ (2,357,316)
Changes of assumption		(23,676,434)
Net difference between projected and actual earnings on investments	13,947,624	
Totals	<u>\$ 18,532,669</u>	<u>\$ (26,033,750)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	
2024	(\$ 7,338,016)
2025	(\$ 5,107,356)
2026	\$ 172,431
2027	\$ 4,771,860
2028 and after	-\$0-

(10) Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

For the actuarial valuation dated December 31, 2021, the actuarial cost method used in determining the actuarially determined contribution (ADC) was the projected unit cost method. In addition, the asset valuation method used was the market value. Other significant assumptions used to determine the ADC were as follows:

- The inflation rate was assumed to be 2.75 percent annually.
- The investment rate of return was assumed to be 7.00 percent for prefunded plan, 3.72 percent for pay-as-you-go plans.
- Projected salary increases were specific rates by age, varying from 5.50% to 3.50%, including inflation.
- The medical cost trend rate (pre 65) used was 6.00 percent graded to 4.50 percent over 6 years.
- The medical cost trend rate (post 65) used was 5.00 percent graded to 4.50 percent over 2 years.

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

- The drug cost trend rate is 8.00 percent, trending down to 4.50% over 14 years.
- The amortization method used was level percent of pay and the amortization period for the most recent actuarial valuation was 15 years and the period is closed.

(11) Statement of Fiduciary Net Position for the OPEB Plan

CITY OF SAVANNAH
STATEMENT OF FIDUCIARY NET POSITION
OPEB TRUST FUND
DECEMBER 31, 2023

ASSETS

Cash and cash equivalents	\$ 2,823,815
Investments, at fair value:	
U.S. government obligations	8,875,654
Domestic corporate bonds	18,144,926
Domestic equities	53,339,833
International equities	11,190,003
Real estate fund	10,214,189
Total investments	<u>101,764,605</u>
Total assets	<u>104,588,420</u>

LIABILITIES

Payable from restricted assets:	
Accounts payable	<u>171,976</u>
Total liabilities	<u>171,976</u>

NET POSITION

Restricted for:	
Post employment benefits other than pensions	<u>\$ 104,416,444</u>

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(12) Statement of Changes in Fiduciary Net Position for the OPEB Plan

CITY OF SAVANNAH
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
OPEB TRUST FUND
YEAR ENDED DECEMBER 31, 2023

ADDITIONS

Contributions	
Employers	\$ 154,047
Plan members	2,194,758
Total contributions	<u>2,348,805</u>
Investment income	
Interest and dividends	459,045
Real estate net income	1,225,991
Net appreciation in fair value of investments	14,913,980
Total investment income	<u>16,599,016</u>
Less investment expense	523,248
Net investment income	<u>16,075,768</u>
Total additions	<u>18,424,573</u>

DEDUCTIONS

Benefits	6,590,498
Administrative expense	413,178
Total deductions	<u>7,003,676</u>
Change in net position	11,420,897
Net position:	
Beginning of year - January 1	92,995,547
End of year - December 31	<u><u>\$ 104,416,444</u></u>

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 10 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Under the risk management program, the Risk Management Internal Service Fund provides coverage for worker's compensation claims, general liability claims, employee health benefit claims, unemployment compensation claims, and property damage claims. The City purchases property and liability insurance for claims in excess of coverage provided by the fund. As in the past three fiscal years, settled property damage claims in 2023 did not exceed commercial coverage.

All funds of the City participate in the program and make payments to the Risk Management Fund based on estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses. During 2023, premiums paid into the fund by both the City and its employees were exceeded by the liabilities incurred for the various types of claims covered by \$10,767,595. The amount available for catastrophic losses at December 31, 2023 had a total net position balance of \$19,517,000.

The Risk Management Fund establishes claim liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of potential claims that have occurred but not yet been reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Estimated amounts of salvage, subrogation, and reinsurance recoverable on unpaid claims are deducted from the liability for unpaid claims. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claim liabilities does not necessarily result in the aggregate amount finally paid, particularly for coverages such as general liability. Adjustments to claims liabilities are charged or credited to expense in the period in which they are made.

The claims liability of \$9,838,439 reported as of year-end is based on the requirements of Governmental Accounting Standards Board Statement 30, which requires that a liability for claims be established if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. At December 31, 2023, \$2,957,901 of those covered liabilities is considered to be long-term and \$6,880,538 is considered to be due within one year. Changes in the fund's claims liability amount for the current and prior fiscal years are presented below:

Year	Beginning of Year Liability	Claims and Changes in Estimates	Claims Paid	End of Year Liability
2021	\$ 10,926,497	\$ 32,040,742	\$ (34,442,981)	\$ 8,524,258
2022	8,524,258	30,325,111	(32,703,850)	6,145,519
2023	6,145,519	48,191,821	(44,498,901)	9,838,439

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 11 - INTERFUND TRANSFERS, RECEIVABLES AND PAYABLES

Interfund transfers in (out) for the year ended December 31, 2023, are as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Hazardous Materials Team Fund	\$ 353,669	Provide resources to fund operating expenditures.
General Fund	Court Technology Fee Fund	40,197	Provide resources to fund operating expenditures.
General Fund	Capital Improvement Fund	46,309,609	Provide resources to fund planned capital project expenditures.
General Fund	Community Development Fund	1,513,346	Provide resources to fund operating expenditures and grant matches.
General Fund	Debt Service Fund	2,642,832	Provide resources to fund debt service expenditures.
General Fund	Disaster Recovery Fund	18,270	Provide resources to fund operating expenditures and grant matches.
General Fund	Grant Fund	562,278	Provide resources to fund operating expenditures and grant matches.
General Fund	Tax Allocation District Fund I	1,908,176	Provide resources to fund debt service expenditures.
Water and Sewer Fund	Disaster Recovery Fund	794	Provide resources to fund operating expenditures and grant matches.
Water and Sewer Fund	General Fund	5,800,000	Provide resources to fund capital project expenditures.
Sanitation Fund	General Fund	887,609	Transfer restricted revenues to fund required to expend them.
Sanitation Fund	Water and Sewer Fund	403,101	Repayment of resources provided in previous years.
Grant Fund	General Fund	3,439	Transfer grant proceeds to reimburse operating expenditures.
Grant Fund	Sanitation Fund	2,105	Transfer grant proceeds to reimburse operating expenditures.
Disaster Recovery Fund	General Fund	464,999	Transfer grant proceeds to reimburse operating expenditures.
Disaster Recovery Fund	Water and Sewer Fund	14,399	Transfer grant proceeds to reimburse operating expenses.
Disaster Recovery Fund	Sanitation Fund	5,947	Transfer grant proceeds to reimburse operating expenses.
Disaster Recovery Fund	Civic Center Fund	2,738	Transfer grant proceeds to reimburse operating expenses.
Disaster Recovery Fund	Internal Service Revolving Fund	1,001	Transfer grant proceeds to reimburse operating expenses.
Hotel/motel Tax Fund	Civic Center Fund	906,819	Transfer restricted revenues to fund required to expend them.
Hotel/motel Tax Fund	General Fund	17,678,673	Transfer restricted revenues to fund required to expend them.
Hotel/motel Tax Fund	Lodging Tax Tourism Development	2,201,461	Transfer restricted revenues to fund required to expend them.
Auto Rental Tax Fund	Civic Center Fund	3,202,761	Transfer restricted revenues to fund required to expend them.
Total		\$ 84,924,223	

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, (3) subsidize funding shortfalls, and (4) use unrestricted revenues collected in the General Fund and other funds to finance various programs accounted for in other funds, including capital projects, in accordance with budgetary operations.

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

In certain years, the General Fund transfers amounts to the Tax Allocation District I Fund to fund debt service obligations liquidated by the Tax Allocation District I Fund. While the transfers do not meet the definition of an advance and no advance to/from is recorded on the financial statements, if future revenues within the Tax Allocation District I Fund are sufficient a repayment of these transfers is desired by the City. As of December 31, 2023, the General Fund had transferred an aggregate total of \$21,920,142 to the Tax Allocation District I Fund to pay debt service obligations of the fund.

Interfund receivable and payable balances as of December 31, 2023 are as follows:

<u>Payable from</u>	<u>Payable to</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Capital Improvements Fund	\$ 130,981,687	Committed funds for capital projects. Cash is transferred only as project costs are paid. This balance may not be paid within one year.
Grant Fund	General Fund	393,654	Cash to be repaid upon receipt of amounts due from other governments as reimbursements for grant eligible expenditures.
Hotel/motel Tax	General Fund	1,183,945	Hotel/motel taxes receivable at year end which are to be transferred to the General Fund when received.
Hotel/motel Tax	Lodging Tax Tourism Development	464,107	Hotel/motel taxes receivable at year end which are to be transferred to the Lodging Tax Tourism Development Fund when received.
Automobile Rental	Civic Center	183,996	Auto rental taxes receivable at year end which are to be transferred to the Civic Center Fund when received.
		<u>\$ 133,207,389</u>	

NOTE 12 - RECEIVABLE AND PAYABLE BALANCES

Receivables at December 31, 2023 were as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Taxes Receivable	\$15,191,711	
Due from other Governments	21,478,943	
Miscellaneous accounts receivable	12,236,029	\$71,220,039
Less: allowance for uncollectible	<u>2,296,921</u>	<u>41,448,755</u>
Total	<u>\$46,609,762</u>	<u>\$29,771,284</u>

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Payables at December 31, 2023 consisted of:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Due to vendors	\$ 16,715,247	\$ 9,890,672
Accrued payroll, tax liabilities, and withholdings	<u>2,642,333</u>	
Total	<u>\$ 19,357,580</u>	<u>\$ 9,890,672</u>

NOTE 13 - FUND EQUITY AND FUND BALANCE CLASSIFICATIONS

The Statement of Net Position shows certain amounts as restricted net position. These amounts are restricted in their use by parties outside the City such as creditors, grantors, or contributors, or restricted by law or regulation. Components of Restricted Net Position at December 31, 2023 include:

Activity	Restricted by	Amount
Governmental Activities:		
Sales Tax Capital Projects	Law	\$154,185,614
Other Capital Projects	Bond covenants	11,307,970
Community Development projects	Grantor agencies and law	25,154,151
Economic development projects	Creditor – U. S. Dept. of Housing & Urban Development	406,220
Nonexpendable Perpetual Care	Cemetery perpetual care	8,811,555
Debt service	Bond covenants	1,060,746
Convention and tourism	Law	2,541,497
Other grants	Grantor agencies	1,183,911
OPEB	Trust covenants	12,862,431
Business-Type Activities:		
Debt service	Bond covenants	1,672,000
OPEB	Trust covenants	4,431,914

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As of December 31, 2023, Governmental Funds' balance sheet reports fund balances as follows:

	<u>General</u>	<u>Capital Improvements</u>	<u>SPLOST 2020- 2026</u>	<u>Non-major Governmental Funds</u>
Fund Balances:				
Nonspendable:				
Permanent fund principal	\$ -	\$ -	\$ -	\$ 8,811,555
Restricted for:				
Public safety				397,073
Tourism enhancement				2,541,497
Community development program and administration				406,220
Debt service				1,748,803
Other capital projects		765,254	98,034,503	66,722,766
Committed to:				
Governance and strategic services	66,484			
Municipal operations	401,477			
Governmental operations	24,484			
Infrastructure and development	763,151			
Public safety	484,196			
Parks and recreation	331,959			
Community services	1,056,173			1,162,609
Disaster recovery				775,863
Tourism enhancement	700,000			
Other capital projects		156,235,878		
Unassigned:	53,887,923			
Total fund balances	<u>\$57,715,847</u>	<u>\$ 157,001,132</u>	<u>\$ 98,034,503</u>	<u>\$ 82,566,386</u>

For fund balances reported as committed, the government's highest level of decision making authority is the Mayor and Alderman, which may establish, modify or rescind a fund balance commitment through the passage of an ordinance. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted amounts to have been spent. When an expenditure is incurred for purposes for which committed, assigned, or unassigned fund balance could be used, the City considers committed amounts to have been spent.

The Statement of Net Position shows certain amounts as net investment in capital assets. Governmental activities net investment in capital assets included capital assets of \$938,901,407 less related debt of \$56,751,755, which includes contractor retainage payable and accrued accounts payable of \$6,763,111 and debt of

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

\$50,681,306 less unspent bonds proceeds of \$692,662. The contractor retainage payable amount is presented in the financial statements in accounts payable and accrued liabilities. Business-type activities net investment in capital assets included capital assets of \$705,801,525 less related debt of \$144,837,896, which includes contractor retainage payable and accrued accounts payable of \$5,321,612 and debt of \$139,516,284. The contractor retainage payable amount is presented in the financial statements in accounts payable and accrued liabilities.

Encumbrances are commitments to unfilled purchase orders or unfilled contracts. Funds have been committed to a specific order, but the goods or services have not been billed or received. The City had significant outstanding encumbrances at December 31, 2023 as follows:

	<u>General Fund</u>
Contract services	\$3,095,049
Commodities	<u>732,875</u>
Total	<u>\$3,827,924</u>

NOTE 14 - PROPERTY TAXES

Property is appraised and a lien on such property becomes enforceable 60 days after final notification on delinquency of property taxes. Property taxes are levied on all taxable real, public utilities, and personal property (including vehicles) located within the City. Assessed values for property tax purposes are determined by the Chatham County Board of Tax Assessors for all property except public utility. Assessed value is set at 40% of market value. Public utility assessed value is set by the State of Georgia.

The property tax calendar is as follows:

2023 (tentative) millage rate adopted by resolution	December 31, 2022
Beginning of fiscal year for taxes	January 1, 2023
First installment real property tax bills rendered	April 11, 2023
First installment real property tax payment due	May 15, 2023
County Tax Digest approved by the State of Georgia	September 12, 2023
2023 final millage rate adopted by resolution	July 31, 2023
Second installment real property tax bills rendered	October 4, 2023
Personal property tax bills rendered	October 11, 2023
Second installment real property tax payment due	November 21, 2023
Personal property tax payment due	November 27, 2023

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 15 - CONTINGENT LIABILITIES & VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS

The City participates in a number of Federal and State assisted grant programs, which are subject to financial and compliance audits. In accordance with the Uniform Guidance, the City will have a single audit performed for the year ended December 31, 2023. The City's compliance with applicable grant requirements will be established upon the completion of the single audit. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

The City reviews all outstanding claims and judgements to determine if any estimated liabilities should be accrued at year end. Based on the review of the claims and past experience, it has been determined that there were no material claims and judgements outstanding at December 31, 2023, which have not been accrued.

The City has been named as a potentially responsible party regarding environmental remediation of a closed landfill. A liability associated with the landfill remediation cannot be estimated; however, the City expects such amounts, if any, to be immaterial.

NOTE 16 - TAX ABATEMENTS

As of December 31, 2023, the City provides tax abatements through the creation of enterprise zones pursuant to O.C.G.A. 36-88-1 to encourage private enterprise to invest in certain areas of the City by creating jobs and trade, providing services, and other economic activities. Abatements are obtained through application by qualifying businesses or homeowners. Applicants must meet one of the following requirements: 1) job creation incentive – create and maintain five new full-time equivalent jobs for the duration of the ten year graduated tax abatement period, or 2) land improvement incentive – invest in new residential construction or rehabilitation or other rehabilitation of an existing structure such that the value of the improvements exceeds the value of the land by a ratio of five to one. Under the program, municipal ad valorem property taxes may be exempted in accordance with the following schedule:

1. One hundred percent of the property taxes shall be exempted for the first five years;
2. Eighty percent of the property taxes shall be exempted for the next two years;
3. Sixty percent of the property taxes shall be exempted for the next year;
4. Forty percent of the property taxes shall be exempted for the next year;
5. Twenty percent of the property taxes shall be exempted for the next year.

During 2023, as part of the enterprise zone tax abatement program, the City tax revenues were reduced by \$303,682 under agreements entered into by the City of Savannah.

CITY OF SAVANNAH, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 17 – TRANSPORTATION RELATED EXPENDITURES

In accordance with O.C.G.A. 48-8-267(b)(2) the City's total General Fund expenditures for transportation were as follows for the year ended December 31, 2023:

- For transportation reported in Section 4200 of the Uniform Chart of Accounts (Sections 4210-4290) the City expended \$41,594,438.

NOTE 18 - CHANGE IN ACCOUNTING PRINCIPLE

Effective January 1, 2023, the City adopted Governmental Accounting Standards Board Statement No. 96, "Subscription-Based Information Technology Arrangements", using the facts and circumstances that existed at the beginning of the period of implementation. There was no impact to the City's beginning net position upon adoption of the new accounting standard.

At January 1, 2023, the City recognized the following balances for subscription right-of-use assets and subscription liabilities within its governmental activities:

- Subscription right-of-use assets	\$428,166
- Subscription liability	\$428,166

CITY OF SAVANNAH, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED DECEMBER 31, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Property taxes	\$ 91,437,032	\$ 100,436,597	\$ 95,938,086	\$ (4,498,511)
Intangible, transfer and franchise taxes	23,723,406	24,069,816	25,194,582	1,124,766
General sales tax	60,860,000	68,953,336	66,530,739	(2,422,597)
Selective sales taxes	8,224,238	9,417,778	8,411,288	(1,006,490)
Business taxes	11,669,900	13,107,323	13,107,323	
Penalties and interest on delinquent taxes	721,000	527,362	622,176	94,814
Licenses and permits	3,066,000	2,812,556	2,818,105	5,549
Inspection fees	4,440,480	6,346,689	6,851,855	505,166
Intergovernmental revenue	2,772,389	2,857,797	6,758,044	3,900,247
Charges for services	4,280,990	4,752,029	4,928,662	176,633
Indirect cost allocations	7,081,358	6,545,592	6,545,592	
Fines and forfeitures	3,173,000	3,800,000	4,370,408	570,408
Investment income	55,000	6,362,000	7,841,445	1,479,445
Miscellaneous revenue	1,495,100	2,525,932	2,728,914	202,982
Total revenues	222,999,893	252,514,807	252,647,219	132,412
EXPENDITURES:				
Current:				
Governance and strategic services	8,531,483	8,067,954	7,792,330	275,624
Municipal services	24,029,419	26,193,369	26,132,712	60,657
Governmental operations	4,502,470	4,094,776	4,094,020	756
Infrastructure and development	54,997,718	52,833,398	52,833,050	348
Police	69,157,536	63,650,871	63,538,842	112,029
Recorder's court	2,516,301	2,505,245	2,498,922	6,323
Fire	37,244,193	37,800,236	37,799,634	602
Parks and recreation	12,500,932	12,648,389	11,864,719	783,670
Tourism enhancement	1,494,633	1,377,239	1,376,985	254
Community services	10,544,000	14,334,594	12,755,169	1,579,425
Debt Service:				
Principal	1,295,000	1,295,000	1,291,172	3,828
Interest and fiscal charges	138,000	138,000	137,085	915
Total expenditures	226,951,685	224,939,071	222,114,640	2,824,431
Excess (deficiency) of revenues over (under) expenditures	(3,951,792)	27,575,736	30,532,579	2,956,843
OTHER FINANCING SOURCES (USES):				
Transfers in	15,935,256	20,671,795	24,834,720	4,162,925
Transfers out	(12,033,464)	(48,502,556)	(53,348,377)	(4,845,821)
Debt issuance			2,417,898	
Sale of capital assets	50,000	255,025	303,915	48,890
Total other financing sources (uses)	3,951,792	(27,575,736)	(25,791,844)	(634,006)
Net change in fund balance	\$ -	\$ -	4,740,735	\$ 2,322,837
FUND BALANCE - JANUARY 1			52,975,112	
FUND BALANCE - DECEMBER 31			<u>\$ 57,715,847</u>	

**CITY OF SAVANNAH, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT FUND
YEAR ENDED DECEMBER 31, 2023**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Intergovernmental Revenue	\$ 6,126,302	\$ 10,143,657	\$ 6,886,911	\$ (3,256,746)
Charges for services			1,803,493	1,803,493
Interest earned			110,541	110,541
Miscellaneous revenue			31,444	31,444
Total revenues	<u>6,126,302</u>	<u>10,143,657</u>	<u>8,832,389</u>	<u>(1,311,268)</u>
EXPENDITURES:				
Community development program and administration	<u>7,222,932</u>	<u>12,500,000</u>	<u>10,345,735</u>	<u>2,154,265</u>
Total expenditures	<u>7,222,932</u>	<u>12,500,000</u>	<u>10,345,735</u>	<u>2,154,265</u>
Deficiency of revenues under expenditures	<u>(1,096,630)</u>	<u>(2,356,343)</u>	<u>(1,513,346)</u>	<u>842,997</u>
OTHER FINANCING SOURCES:				
Transfers in	<u>1,096,630</u>	<u>2,356,343</u>	<u>1,513,346</u>	<u>(842,997)</u>
Total other financing sources	<u>1,096,630</u>	<u>2,356,343</u>	<u>1,513,346</u>	<u>(842,997)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>
FUND BALANCE - JANUARY 1				
FUND BALANCE - DECEMBER 31			<u>\$ -</u>	

**CITY OF SAVANNAH, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
HOTEL/MOTEL TAX FUND
YEAR ENDED DECEMBER 31, 2023**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:				
Selective sales taxes	<u>\$ 30,000,000</u>	<u>\$ 40,000,000</u>	<u>\$ 39,101,327</u>	<u>\$ (898,673)</u>
Total revenues	<u>30,000,000</u>	<u>40,000,000</u>	<u>39,101,327</u>	<u>(898,673)</u>
EXPENDITURES:				
Tourism enhancement	<u>12,495,000</u>	<u>20,885,463</u>	<u>18,314,374</u>	<u>2,571,089</u>
Total expenditures	<u>12,495,000</u>	<u>20,885,463</u>	<u>18,314,374</u>	<u>2,571,089</u>
Excess of revenues over expenditures	<u>17,505,000</u>	<u>19,114,537</u>	<u>20,786,953</u>	<u>1,672,416</u>
OTHER FINANCING USES:				
Transfers out	<u>(17,505,000)</u>	<u>(19,114,537)</u>	<u>(20,786,953)</u>	<u>1,672,416</u>
Total other financing uses	<u>(17,505,000)</u>	<u>(19,114,537)</u>	<u>(20,786,953)</u>	<u>1,672,416</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>		<u>\$ 3,344,832</u>
FUND BALANCE - JANUARY 1				
FUND BALANCE - DECEMBER 31			<u>\$ -</u>	

CITY OF SAVANNAH, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
CITY OF SAVANNAH EMPLOYEES' RETIREMENT PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability									
Service cost	\$ 11,773,197	\$ 11,727,549	\$ 11,805,608	\$ 11,411,039	\$ 12,197,176	\$ 12,277,259	\$ 13,751,371	\$ 12,832,463	\$ 12,803,097
Interest	40,384,046	38,513,298	38,145,085	37,031,735	35,850,147	34,059,918	32,713,986	31,983,189	30,562,389
Differences between expected and actual experience	4,381,029	11,643,568	1,762,039	(1,025,181)	7,761,517	(1,248,522)	4,870,999	(9,445,475)	
Change of assumptions			5,452,648				(4,829,920)		
Benefit payments, including refunds of employee contributions	(36,630,269)	(35,623,005)	(33,318,110)	(32,616,874)	(30,396,491)	(27,404,258)	(26,130,536)	(25,750,547)	(24,314,601)
Net change in total pension liability	19,908,003	26,261,410	23,847,270	14,800,719	25,412,349	17,684,397	20,375,900	9,619,630	19,050,885
Total pension liability - beginning	563,563,263	537,301,853	513,454,583	498,653,864	473,241,515	455,557,118	435,181,218	425,561,588	406,510,703
Total pension liability - ending (a)	<u>\$ 583,471,266</u>	<u>\$ 563,563,263</u>	<u>\$ 537,301,853</u>	<u>\$ 513,454,583</u>	<u>\$ 498,653,864</u>	<u>\$ 473,241,515</u>	<u>\$ 455,557,118</u>	<u>\$ 435,181,218</u>	<u>\$ 425,561,588</u>
Plan fiduciary net position									
Contributions - employer	\$ 12,258,946	\$ 12,019,866	\$ 11,243,151	\$ 10,643,079	\$ 10,331,820	\$ 10,361,785	\$ 10,588,773	\$ 11,378,991	\$ 11,989,213
Contributions - employee	7,883,418	7,572,831	7,903,062	7,222,808	7,459,327	7,794,899	7,522,500	6,948,068	6,656,241
Net investment income	(78,177,688)	61,559,295	62,207,444	72,761,682	(11,332,027)	50,376,309	26,131,579	3,612,074	23,393,123
Benefit payments, including refunds of employee contributions	(36,630,269)	(35,623,005)	(33,318,110)	(32,616,874)	(30,396,491)	(27,404,258)	(26,130,536)	(25,750,547)	(24,314,601)
Administrative expense	(167,060)	(166,473)	(174,546)	(156,206)	(122,121)	(75,177)	(60,680)	(157,329)	(99,358)
Net change in plan fiduciary net position	(94,832,653)	45,362,514	47,861,001	57,854,489	(24,059,492)	41,053,558	18,051,636	(3,968,743)	17,624,618
Plan fiduciary net position - beginning	513,909,213	468,546,699	420,685,698	362,831,209	386,890,701	345,837,143	327,785,507	331,754,250	314,129,632
Plan fiduciary net position - ending (b)	419,076,560	513,909,213	468,546,699	420,685,698	362,831,209	386,890,701	345,837,143	327,785,507	331,754,250
Employers' net pension liability - ending (a) - (b)	<u>\$ 164,394,706</u>	<u>\$ 49,654,050</u>	<u>\$ 68,755,154</u>	<u>\$ 92,768,885</u>	<u>\$ 135,822,655</u>	<u>\$ 86,350,814</u>	<u>\$ 109,719,975</u>	<u>\$ 107,395,711</u>	<u>\$ 93,807,338</u>
Plan fiduciary net position as a percentage of the total pension liability	71.82%	91.19%	87.20%	81.93%	72.76%	81.75%	75.92%	75.32%	77.96%
Covered payroll	\$ 113,344,761	\$ 115,163,120	\$ 108,499,848	\$ 106,204,028	\$ 114,069,874	\$ 115,437,152	\$ 108,873,305	\$ 99,962,326	\$ 100,296,655
Employers' net pension liability as a percentage of covered payroll	145.04%	43.12%	63.37%	87.35%	119.07%	74.80%	100.78%	107.44%	93.53%

Notes to Schedule:

Changes in actuarial assumptions: There have been no assumption changes since the prior valuation.

Changes in plan provisions: There have been no changes in benefit provisions since GASB 67 implementation.

Note: This information is not readily available for 10 years.

**CITY OF SAVANNAH, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
CITY OF SAVANNAH EMPLOYEES' RETIREMENT PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST TEN FISCAL YEARS**

	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$11,378,988	\$11,378,991	(\$3)	\$99,962,326	11.38%
2016	10,588,767	10,588,773	(6)	108,873,305	9.73%
2017	10,233,131	10,361,785	(128,654)	115,437,152	8.98%
2018	10,331,820	10,331,820	0	114,069,874	9.06%
2019	10,643,079	10,643,079	0	106,204,028	10.02%
2020	11,243,151	11,243,151	0	108,499,848	10.36%
2021	12,019,866	12,019,866	0	115,163,120	10.44%
2022	12,258,946	12,258,946	0	113,344,761	10.82%
2023	11,475,840	12,975,840	(1,500,000)	124,317,051	10.44%

Note: This information is not readily available for 10 years.

**CITY OF SAVANNAH, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
CITY OF SAVANNAH EMPLOYEES' RETIREMENT PLAN
SCHEDULE OF VALUATION DETAILS
DECEMBER 31, 2023**

Valuation date	Actuarially determined contribution rates are calculated as of January 1 and then projected to be paid in the following fiscal year
Actuarial cost method	Projected unit credit method for actuarially determined contributions; Entry age actuarial cost method for total pension liability
Amortization method	Level percentage of payroll, using a 2.75% salary inflation
Remaining amortization period	Closed period, 21 years as of January 1, 2022
Asset valuation method	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the expected return on the market value, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the market value.

Actuarial assumptions:

Investment rate of return	7.25%
Inflation rate	2.75%
Projected salary increases	Varies by age
Cost of living adjustments	5.00% at participant's adjustment date, 1.00% annually thereafter
Mortality:	
Pre-retirement	Pri-2012 Employee Amount-weighted Mortality Table; projected generationally with 60% of Scale SSA-2020
Healthy	Pri-2012 Healthy Retiree Amount-weighted Mortality Table, multiplied times 1.25; projected generationally with 60% of Scale SSA-2020
Disabled	Pri-2012 Disabled Retiree Amount-weighted Mortality Table, multiplied times 1.25; projected generationally with 60% of Scale SSA-2020

Other information:	Please see the January 1, 2022 actuarial valuation for a full listing of assumptions.
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**CITY OF SAVANNAH, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
CITY OF SAVANNAH EMPLOYEES' RETIREMENT PLAN
SCHEDULE OF INVESTMENT RETURNS**

Year Ended December 31	Annual Money- weighted Rate of Return
2014	7.8 %
2015	0.6
2016	8.6
2017	15.6
2018	-3.1
2019	20.6
2020	15.7
2021	13.3
2022	-15.2
2023	11.0

**CITY OF SAVANNAH, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN PROPORTIONAL SHARE OF
NET PENSION LIABILITY
PLANS WITHOUT A SPECIAL FUNDING SITUATION
LAST TEN FISCAL YEARS**

	City's Proportion (Percentage) of the Collective Net Pension Liability	City's Proportion (Amount) of the Collective Net Pension Liability (A)	City's Covered Payroll	City's Proportionate Share (Amount) of the Collective Net Pension Liability (Asset) as a Percentage of the City's Covered Payroll	Pension Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
City of Savannah Employees' Retirement Plan					
2016	90.45%	\$97,139,421	\$90,288,005	107.59%	75.32%
2017	89.29%	97,968,965	98,340,447	99.62%	75.92%
2018	89.85%	77,586,206	104,200,270	74.58%	81.75%
2019	89.30%	121,286,328	102,424,489	118.42%	72.76%
2020	88.43%	82,031,901	95,050,007	86.30%	81.93%
2021	90.10%	61,946,161	97,364,151	63.62%	87.20%
2022	90.64%	45,008,085	104,408,490	43.11%	91.19%
2023	91.10%	149,756,860	104,290,225	143.60%	71.82%

Note: This information is not readily available for 10 years.

CITY OF SAVANNAH, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN PROPORTIONAL SHARE OF
NET PENSION LIABILITY
PLANS WITH A SPECIAL FUNDING SITUATION
LAST TEN FISCAL YEARS

	City's Proportion (Percentage) of the Collective Net Pension Liability	City's Proportion (Amount) of the Collective Net Pension Liability (A)	State of Georgia's Portion of the Total Proportionate Share (Amount) of the Net Pension Liability (Asset) Associated with the City (B)	Total (A) + (B)	City's Covered Payroll	City's Proportionate Share (Amount) of the Collective Net Pension Liability (Asset) as a Percentage of the City's Covered Payroll	Pension Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Peace Officers' Annuity and Benefit Fund of Georgia							
2015	0.00%	\$0	(\$844,334)	(\$844,334)	N/A	N/A	103.58%
2016	0.00%	0	(428,086)	(428,086)	N/A	N/A	97.68%
2017	0.00%	0	(2,035,480)	(2,035,480)	N/A	N/A	92.18%
2018	0.00%	0	(461,193)	(461,193)	N/A	N/A	101.62%
2019	0.00%	0	(596,001)	(596,001)	N/A	N/A	101.79%
2020	0.00%	0	(860,534)	(860,534)	N/A	N/A	102.93%
2021	0.00%	0	469,419	469,419	N/A	N/A	98.36%
2022	0.00%	0	(113,993)	(113,993)	N/A	N/A	100.33%
2023	0.00%	0	6,067,370	6,067,370	N/A	N/A	80.74%
Georgia Firefighters' Pension Fund							
2015	0.00%	\$0	\$2,016,199	\$2,016,199	N/A	N/A	89.72%
2016	0.00%	0	3,610,412	3,610,412	N/A	N/A	83.06%
2017	0.00%	0	5,072,023	5,072,023	N/A	N/A	79.03%
2018	0.00%	0	4,278,583	4,278,583	N/A	N/A	83.74%
2019	0.00%	0	4,072,405	4,072,405	N/A	N/A	83.95%
2020	0.00%	0	4,040,647	4,040,647	N/A	N/A	84.67%
2021	0.00%	0	5,117,928	5,117,928	N/A	N/A	80.82%
2022	0.00%	0	986,678	986,678	N/A	N/A	96.77%
2023	0.00%	0	7,391,469	7,391,469	N/A	N/A	77.76%

Note: This information is not readily available for 10 years.

CITY OF SAVANNAH, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
CITY OF SAVANNAH OTHER POST EMPLOYMENT BENEFITS PLAN
SCHEDULE OF CHANGES IN NET OPEB LIABILITY(ASSET)
LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	\$ 2,255,661	\$ 2,264,672	\$ 2,958,375	\$ 3,229,606	\$ 3,908,039	\$ 3,900,114
Interest	5,564,528	5,630,796	5,901,521	6,448,883	6,717,194	6,285,651
Differences between expected and actual experience	4,905,496	(2,045,921)	(1,833,032)	2,425,527	(1,930,903)	
Change of assumptions	(12,312,140)	(3,128,379)	(6,941,130)	(15,626,260)	(12,280,003)	153,173
Benefit payments, including refunds of employee contributions	<u>(3,803,800)</u>	<u>(3,546,413)</u>	<u>(3,336,364)</u>	<u>(3,845,887)</u>	<u>(4,293,905)</u>	<u>(3,638,344)</u>
Net change in Total OPEB Liability	(3,390,255)	(825,245)	(3,250,630)	(7,368,131)	(7,879,578)	6,700,594
Total OPEB Liability - beginning	80,498,104	81,323,349	84,573,979	91,942,110	99,821,688	93,121,094
(a) Total OPEB Liability - ending	\$ 77,107,849	\$ 80,498,104	\$ 81,323,349	\$ 84,573,979	\$ 91,942,110	\$ 99,821,688
Plan fiduciary net position						
Contributions - employer	\$ 156,581	\$ 898,051	\$ 2,033,175	\$ 2,901,830	\$ 4,259,109	\$ 5,586,200
Contributions - employee	2,265,824	2,399,127	2,689,807	2,583,727		
Net investment income	(22,557,502)	15,809,396	14,952,600	16,583,104	(3,787,843)	11,347,263
Benefit payments, including refunds of employee contributions	(6,069,624)	(5,945,540)	(6,026,171)	(6,429,614)	(4,293,905)	(3,638,344)
Administrative expense	<u>(348,727)</u>	<u>(403,089)</u>	<u>(374,093)</u>	<u>(327,958)</u>	<u>(308,339)</u>	<u>(266,941)</u>
Net change in plan fiduciary net position	(26,553,448)	12,757,945	13,275,318	15,311,089	(4,130,978)	13,028,178
Plan fiduciary net position - beginning	119,548,995	106,791,050	93,515,732	78,204,643	82,335,621	69,307,443
(b) Plan Fiduciary Net Position - ending	92,995,547	119,548,995	106,791,050	93,515,732	78,204,643	82,335,621
(c) Net OPEB Liability(Asset) - ending (a) - (b)	\$ (15,887,698)	\$ (39,050,891)	\$ (25,467,701)	\$ (8,941,753)	\$ 13,737,467	\$ 17,486,067
Plan fiduciary net position as a percentage of the Total OPEB Liability(Asset)	120.60%	148.51%	131.32%	110.57%	85.06%	82.48%
Covered employee payroll	\$ 106,000,644	\$ 106,088,473	\$ 98,990,306	\$ 96,741,021	\$ 104,236,901	\$ 106,198,860
Plan Net OPEB Liability(Asset) as percentage of covered employee payroll	-14.99%	-36.81%	-25.73%	-9.24%	13.18%	16.47%

Notes to Schedule:

Benefit changes: Effective 1/1/2022, the deductible for In-Network Medicare Advantage plan decreased from \$500 and \$750 to \$250 and \$500 for In and Out of network benefits, respectively. For the purposes of the valuation, this change was treated as negligible.

Changes of assumptions:

- Per capita health costs and prescription drug trend rates were updated to reflect recent experience and future expectations.
- Administrative costs were updated to reflect recent experience and future expectations.
- The discount rate effective December 31, 2022, for the unfunded groups was increased to 3.72%.

Note: This information is not readily available for 10 years.

**CITY OF SAVANNAH, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
CITY OF SAVANNAH OTHER POST EMPLOYMENT BENEFITS PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST TEN FISCAL YEARS**

Year Ended December 31	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2014	\$7,751,003	\$11,318,014	(\$3,567,011)	\$93,188,755	12.15%
2015	8,154,429	10,768,104	(2,613,675)	92,213,838	11.68%
2016	5,960,277	10,089,939	(4,129,662)	100,272,452	10.06%
2017	4,135,057	5,586,200	(1,451,143)	106,198,860	5.26%
2018	4,259,109	4,259,109	0	104,236,901	4.01%
2019	2,901,830	2,901,830	0	96,741,021	2.78%
2020	2,033,175	2,033,175	0	98,990,306	2.05%
2021	898,051	898,051	0	106,088,473	0.85%
2022	83,824	156,581	(72,757)	106,000,644	0.15%
2023	(1,195,966)	154,047	(1,350,013)	116,486,099	0.13%

Notes to Schedule:

**Methods and assumptions used to establish
"actuarially determined contribution" rates:**

Valuation date	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which contributions are reported
Measurement date	December 31, 2022
Actuarial cost method	Projected Unit Cost Method
Amortization method	30-year closed, level percent of pay
Remaining amortization period	15 years remain as of December 31, 2021
Asset valuation method	The Market Value of Assets

**CITY OF SAVANNAH, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
CITY OF SAVANNAH OTHER POST EMPLOYMENT BENEFITS PLAN
SCHEDULE OF INVESTMENT RETURNS**

Year Ended December 31	Annual Money-weighted Rate of Return
2017	16.2 %
2018	-3.2
2019	21.4
2020	16.1
2021	15.0
2022	-19.2
2023	17.9

Note: This information is not readily available for 10 years.

**CITY OF SAVANNAH, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
CITY OF SAVANNAH OTHER POST EMPLOYMENT BENEFITS PLAN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY/(ASSET)
LAST TEN FISCAL YEARS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
City's proportion of the net OPEB liability/(asset)	108.85%	105.02%	107.89%	129.07%	79.83%	79.94%
City's proportionate share of the net OPEB liability/(asset)	\$ (17,294,345)	\$ (41,012,366)	\$ (27,476,869)	\$ (11,541,212)	\$ 10,966,141	\$ 13,979,898
City's covered employee payroll	\$ 104,290,225	\$ 104,304,126	\$ 97,364,151	\$ 95,049,409	\$ 102,424,489	\$ 104,200,270
City's proportionate share of the net OPEB liability/(asset) as a percentage of its covered employee payroll	-16.58%	-39.32%	-28.22%	-12.14%	10.71%	13.42%
Plan fiduciary net position as a percentage of the total OPEB liability/(asset)	122.85%	152.22%	134.64%	114.08%	87.70%	85.49%

Note: This information is not readily available for 10 years.

**CITY OF SAVANNAH, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
CITY OF SAVANNAH OTHER POST EMPLOYMENT BENEFITS PLAN
SCHEDULE OF VALUATION DETAILS
DECEMBER 31, 2023**

Valuation date	December 31, 2021
Measurement date	December 31, 2022
Actuarial cost method	Projected Unit Cost Method
Amortization method	30 years closed, level percent of pay
Remaining amortization period	15 years as of December 31, 2021
Asset valuation method	The market value of assets

Actuarial assumptions:

Investment rate of return	7% for City of Savannah and Youth Futures, 3.72% (2.06% for December 31, 2021 measurement) for Savannah Airport Authority and Metropolitan Planning Commission
Inflation rate	2.75%
Projected salary increases	Specific rates by age, varying from 5.50% to 3.50%, including inflation
Medical cost trend rate (pre-65)	Initial rate is 6.00%, trending down to 4.50% over 6 years
Medical cost trend rate (post-65)	Initial rate is 5.00%, trending down to 4.50% over 2 years
Prescription drug	Initial rate is 8.00%, trending down to 4.50% over 14 years
Administrative costs	3.00%

Plan membership:

Current retirees, beneficiaries, and dependents	1,455
Current active members	2,096
Total	<u><u>3,551</u></u>

CITY OF SAVANNAH, GEORGIA

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

NOTE A - BUDGET

The City adopted annual budgets for the 2023 fiscal year for the General Fund, all Special Revenue Funds and all Debt Service Funds. Budgets for all governmental fund types are adopted on a basis consistent with generally accepted accounting principles. Budgets for capital project funds are adopted as project length budgets.

Presentation of major fund budgets can be found in the Required Supplementary Information. Nonmajor fund budgets are detailed in the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Nonmajor Special Revenue and Debt Service Funds.

The City is organized into major functional areas that are called service centers. The service center within each fund is the legal level of control. The legal level of control is the level at which expenditures may not legally exceed the budget without approval by the City Council. The City Manager may approve changes below the legal level of control. Appropriations lapse at year-end with two exceptions. First, in the Capital Projects Funds appropriations are carried forward until project completion. Second, encumbered appropriations do not lapse but are carried forward to the ensuing budget year as budgetary amendments.

Budgeted amounts shown in the required supplemental information are as adopted by the City Council. Budgetary activity for 2023 is presented below:

Fund	Original Expenditure Appropriations	Encumbered Appropriations Carried Forward From Prior Years	Budgetary Amendments	Final Expenditure Appropriations
Major Funds:				
General	\$ 226,951,685	\$ 3,614,661	\$ (5,627,275)	\$ 224,939,071
Community Development	7,222,932	1,557	5,275,511	12,500,000
Nonmajor Funds:				
Grant	10,758,294	795,433	(553,727)	11,000,000
Disaster Recovery	5,000,000	968,546	(968,546)	5,000,000
Economic Development	6,020,641		(4,020,641)	2,000,000
Hazardous Materials Team	694,843		138,185	833,028
Hotel/motel Tax	12,495,000		8,390,463	20,885,463
Automobile Rental Tax	2,026,000		1,474,000	3,500,000
Per Occupied Room Fee	1,872,000	39,425	88,575	2,000,000
Recorders Court Technology Fee	100,000		300,000	400,000
Confiscated Assets	200,000	960	199,040	400,000
General Obligation Bond Debt Service	3,690,049		1,309,951	5,000,000
Special Assessment Debt Service	100,000			100,000

CITY OF SAVANNAH, GEORGIA

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

NOTE A – BUDGET (CONTINUED)

In accordance with State law, new appropriations for projects for the capital project funds were adopted by resolution and totaled \$95,884,701 in 2023.

To prepare its budget for the next fiscal year, City Budget staff and departments work together to analyze funding needs beginning in the preceding June. The Budget Department prepares a draft budget for the City Manager in August. After reviewing the draft budget and meeting with the bureaus, the City Manager and Budget staff prepare a Recommended Service Program and Budget as well as a five-year Capital Improvement Plan. Both are presented to the City Council in October. The City Council conducts public hearings in November and December and adopts budgeted revenues and appropriations for the upcoming fiscal year by resolution in December. Subsequent budgetary amendments can be adopted upon majority vote of the City Council.





SUPPLEMENTAL SECTION
COMBINING STATEMENTS
OTHER SCHEDULES



COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

NONMAJOR CITY FUNDS

In the Notes to the Financial Statements, the City has described its major funds and its internal service and fiduciary funds. Other non-major funds of the City include:

Special Revenue Funds

Special Revenue Funds account for the proceeds of specific revenue sources (other than special assessments, expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

The non-major Special Revenue Funds maintained by the City follow:

Grant Fund – The Grant Fund accounts for all grants not properly accounted for in another fund. This fund's major grant revenues are received from the State of Georgia for this service area under the Workforce Investment Act.

Disaster Recovery Fund – The Disaster Recovery Fund accounts for all activity related to the City's recovery efforts arising from damages suffered during 2016's Hurricane Matthew, 2017's Hurricane Irma and the COVID19 pandemic.

Economic Development Fund – The Economic Development Fund reports the proceeds and uses of a Section 108 Note guaranteed by the Secretary of HUD and secured by the City's future CDBG allocations. Note proceeds fund certain business loans and costs related to the development of an entrepreneurial center.

Hazardous Materials Team Fund - The Special Revenue Fund for the Hazardous Materials Team is used to account for the activities of a group of fire personnel who work to control and reduce risks related to industrial chemical events in Chatham County. Operating revenue for the Hazardous Materials Team Fund is supplied 25% by the City, 25% by Chatham County, and 50% by area facilities that manufacture, use or store hazardous materials.

Automobile Rental Tax Fund – The Automobile Rental Tax Fund is used to account for the proceeds and uses of a three percent selective sales tax applied to automotive vehicle rentals from locations within the City of Savannah. This sales tax is applied to the rental charge of each motor vehicle and collected by merchants who then remit the taxes to the City Treasurer.

Per Occupied Room Fee Fund – The Per Occupied Room Fee Fund is used to account for the proceeds and uses of the per occupied room fee charged by the City on larger hotels located within the City's convention transportation special service district. The proceeds of this fee are used to provide transportation incentives to conventions held in Savannah and to also provide for downtown amenities.

Court Technology Fee Fund – The Recorders Court Technology Fee Fund is used to account for the proceeds and uses of the Recorders Court Technology Fee. This fee is levied as an additional fee to fines within the Chatham County Recorders Court and its collection and allowable uses are legislated by state law. The amounts collected are available to the Court for expenditures related to improving and enhancing the technological capabilities within the Court.

Confiscated Assets Fund - Income generated from assets seized in drug-related cases as well as the use of the funds is accounted for in the Special Revenue Fund Confiscated Assets Fund.

Permanent Fund

The Permanent Fund accounts for assets held by the City that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs.

Cemetery Fund - The Cemetery Fund accounts for the revenues received for the upkeep of cemetery lots located in Greenwich, Bonaventure, and Laurel Grove perpetual care cemeteries. Interest earned on investments held by this fund is transferred to the General Fund to defray a portion of the cost of cemetery maintenance.

Debt Service Funds

Debt Service Funds account for funds accumulated and expended to pay principal, interest, and related costs of City debt, other than debt service payments made from the Enterprise Funds.

The Debt Service Funds maintained by the City are as follows:

Debt Service Fund for General Obligation Bonds - The Debt Service Fund for General Obligation Bonds accounts for the accumulation of resources for, and the payment of, general obligation principal, interest and related costs.

Debt Service Fund for Special Assessment Debt - The Debt Service Fund for Special Assessment Debt accounts for the accumulation of resources for, and the payment of, special assessment principal, interest and related costs.

Capital Projects Funds

The Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital projects.

Non-major Capital Projects Funds of the City are:

SPLOST 1998-2003 Fund – The SPLOST 1998-2003 Fund accounts for special purpose local option sales tax (SPLOST) revenues and expenditures of those revenues. SPLOST funds were previously collected over a five-year period beginning October 1998 and ending September 2003. In years prior to 2010, this fund was entitled the Drainage Improvement Fund.

SPLOST 2003-2008 Fund – The SPLOST 2003-2008 Fund accounts for special purpose local option sales tax (SPLOST) revenues and expenditures of those revenues. SPLOST funds were previously collected over a five-year period beginning October 2003 and ending September 2008.

SPLOST 2009 – 2014 Fund – This fund accounts for special purpose local option sales tax resources provided to the City of Savannah by Chatham County in accordance with a 2006 Special Purpose Local Option Sales Tax referendum, which was passed on a county-wide basis. This SPLOST commenced on October 1, 2008 and expired on September 30, 2014. These funds are used by the City to design and construct major capital improvements that will benefit the entire county. Projects include streets, drainage improvements, public buildings and other community development projects.

SPLOST 2014 – 2020 Fund – This fund accounts for special purpose local option sales tax resources provided to the City of Savannah by Chatham County in accordance with a 2013 Special Purpose Local Option Sales Tax referendum, which was passed on a county-wide

basis. This SPLOST commenced on October 1, 2014 and expired on September 30, 2020. These funds are used by the City to design and construct major capital improvements that will benefit the entire county. Projects include streets, drainage improvements, public buildings and other community development projects.

Tax Allocation District I Fund - The Tax Allocation District I Fund is used to account for resources devoted to construction of capital improvements in a redevelopment district located east of the City's downtown. Incremental property tax revenues derived from the increases in market values of properties located within the district will be devoted to infrastructure improvements.

Lodging Tax Tourism Development Fund – The Lodging Tax Tourism Development Fund is used to account for the expenditure of 14.7 percent of the hotel/motel taxes collected on overnight lodging in Savannah. Per state law these funds can be used for tourism product development projects as defined in state law pursuant to O.C.G.A. §48-13-50.2(6).

Impact Fee Fund - The Impact Fee Fund is used to account for the collection and expenditure of impact fees assessed on development within the City of Savannah city limits. These fees are expended to acquire and construct public infrastructure related to parks and recreation, trail systems, public safety, and roadways.

Enterprise Funds

Enterprise Funds are used to account for operations (1) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charge; or, (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Non-major Enterprise Funds maintained by the City include:

Golf Course Fund - The Golf Course Fund accounts for the transactions related to the lease between the City and the golf course management company.

Resource Recovery Fund - The Resource Recovery Fund accounts for the transactions related to the Resource Recovery Development Authority (Authority) for the City of Savannah. The purpose of the Authority is to provide the recovery and utilization of resources contained in solid waste.

SPECIAL REVENUE FUNDS									PERMANENT FUND
GRANT FUND	DISASTER RECOVERY FUND	ECONOMIC DEVELOPMENT FUND	HAZARDOUS MATERIALS TEAM FUND	AUTOMOBILE RENTAL FUND	PER OCCUPIED ROOM FEE FUND	COURT TECHNOLOGY FEE FUND	CONFISCATED ASSETS FUND	TOTAL	CEMETERY FUND
\$ - 1,234,392	\$ 775,863 479,569	\$ 1,021,927 335	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,797,790 1,714,296	\$ -
362		405,884	5,401	183,996	463,417 127,273		584,893	1,459,595 311,631 23,643 140,683	8,811,555 256,627
<u>\$ 1,234,754</u>	<u>\$ 1,255,432</u>	<u>\$ 1,592,472</u>	<u>\$ 5,401</u>	<u>\$ 183,996</u>	<u>\$ 590,690</u>	<u>\$ -</u>	<u>\$ 584,893</u>	<u>\$ 5,447,638</u>	<u>\$ 9,068,182</u>
\$ 21,995 786,838 393,654	\$ -	\$ -	\$ 5,401	\$ -	\$ 239,228	\$ -	\$ 187,820	\$ 454,444 786,838 577,650	\$ -
1,202,487			5,401	183,996	239,228		187,820	1,818,932	
32,267	479,569	23,643						23,643 511,836	256,627
32,267	479,569	23,643						535,479	256,627
		406,220			351,462		397,073	1,154,755 1,938,472	8,811,555
	775,863	1,162,609							
	775,863	1,568,829			351,462		397,073	3,093,227	8,811,555
<u>\$ 1,234,754</u>	<u>\$ 1,255,432</u>	<u>\$ 1,592,472</u>	<u>\$ 5,401</u>	<u>\$ 183,996</u>	<u>\$ 590,690</u>	<u>\$ -</u>	<u>\$ 584,893</u>	<u>\$ 5,447,638</u>	<u>\$ 9,068,182</u>

CITY OF SAVANNAH, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	DEBT SERVICE FUNDS			CAPITAL PROJECTS FUNDS								TOTAL NONMAJOR GOVERNMENTAL FUNDS
	GENERAL OBLIGATION BONDS	SPECIAL ASSESSMENTS	TOTAL	SPLOST 1998-2003	SPLOST 2003-2008	SPLOST 2009-2014	SPLOST 2014-2020	TAX ALLOCATION DISTRICT I	LODGING TAX TOURISM DEVELOPMENT	IMPACT FEES	TOTAL	
<u>ASSETS</u>												
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,797,790
Due from other funds									464,107		464,107	464,107
Due from other governments												1,714,296
Restricted assets:												
Cash and investments	1,714,282	34,521	1,748,803	189,464	14,967,252	4,052,102	37,537,979	10,017,177	1,744,678	525,539	69,034,191	81,054,144
Receivables, net												568,258
Special assessments receivable, net		121,679	121,679									121,679
Notes receivable, long-term												23,643
Property held for resale												140,683
Total assets	<u>\$ 1,714,282</u>	<u>\$ 156,200</u>	<u>\$ 1,870,482</u>	<u>\$ 189,464</u>	<u>\$ 14,967,252</u>	<u>\$ 4,052,102</u>	<u>\$ 37,537,979</u>	<u>\$ 10,017,177</u>	<u>\$ 2,208,785</u>	<u>\$ 525,539</u>	<u>\$ 69,498,298</u>	<u>\$ 85,884,600</u>
<u>LIABILITIES</u>												
Accounts payable	\$ -	\$ -	\$ -	\$ -	7,843	\$ -	558,904	\$ -	18,750	\$ -	585,497	\$ 1,039,941
Unexpended grant proceeds												786,838
Due to other funds												577,650
Total liabilities					7,843		558,904		18,750		585,497	2,404,429
<u>DEFERRED INFLOWS OF RESOURCES</u>												
Unavailable program income		121,679	121,679									401,949
Unavailable grant proceeds												511,836
Total deferred inflows of resources		121,679	121,679									913,785
<u>FUND BALANCES</u>												
Nonspendable												8,811,555
Restricted	1,714,282	34,521	1,748,803	189,464	14,959,409	4,052,102	36,979,075	10,017,177	2,190,035	525,539	68,912,801	71,816,359
Committed												1,938,472
Total fund balance	<u>1,714,282</u>	<u>34,521</u>	<u>1,748,803</u>	<u>189,464</u>	<u>14,959,409</u>	<u>4,052,102</u>	<u>36,979,075</u>	<u>10,017,177</u>	<u>2,190,035</u>	<u>525,539</u>	<u>68,912,801</u>	<u>82,566,386</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,714,282</u>	<u>\$ 156,200</u>	<u>\$ 1,870,482</u>	<u>\$ 189,464</u>	<u>\$ 14,967,252</u>	<u>\$ 4,052,102</u>	<u>\$ 37,537,979</u>	<u>\$ 10,017,177</u>	<u>\$ 2,208,785</u>	<u>\$ 525,539</u>	<u>\$ 69,498,298</u>	<u>\$ 85,884,600</u>

This statement is continued from the previous page.

CITY OF SAVANNAH, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	SPECIAL REVENUE FUNDS								PERMANENT FUND
	GRANT FUND	DISASTER RECOVERY FUND	ECONOMIC DEVELOPMENT FUND	HAZARDOUS MATERIALS TEAM FUND	AUTOMOBILE RENTAL FUND	PER OCCUPIED ROOM FEE FUND	COURT TECHNOLOGY FEE FUND	CONFISCATED ASSETS FUND	CEMETERY FUND
REVENUES:									
Selective sales tax	\$ -	\$ -	\$ -	\$ -	\$ 3,202,761	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue	5,991,998	823,295	335	43,986				40,992	6,900,606
Charges for services			2,087	317,350		1,829,002	58,448		2,206,887
Investment income			45,090					29,978	75,068
Miscellaneous revenue	160,204		29,700						189,904
Total revenues	6,152,202	823,295	77,212	361,336	3,202,761	1,829,002	58,448	70,970	351,375
EXPENDITURES:									
Police								336,975	336,975
Recorders court							341,813		341,813
Fire				715,005					715,005
Tourism enhancement						1,852,047			1,852,047
Grant program and administration	6,418,207	764							6,418,971
Community development program and administration			382,258						382,258
Debt Service:									
Principal	355,902								355,902
Interest and fiscal charges	32,954								32,954
Total expenditures	6,807,063	764	382,258	715,005		1,852,047	341,813	336,975	10,435,925
Excess (deficiency) of revenues over (under) expenditures	(654,861)	822,531	(305,046)	(353,669)	3,202,761	(23,045)	(283,365)	(266,005)	351,375
OTHER FINANCING SOURCES (USES):									
Transfers in	562,278	19,064		353,669			40,197		975,208
Transfers out	(5,544)	(489,084)			(3,202,761)				(3,697,389)
Debt issuance	98,127								98,127
Total other financing sources (uses)	654,861	(470,020)		353,669	(3,202,761)		40,197		(2,624,054)
Net change in fund balances		352,511	(305,046)			(23,045)	(243,168)	(266,005)	351,375
FUND BALANCES - JANUARY 1		423,352	1,873,875			374,507	243,168	663,078	8,460,180
FUND BALANCES - DECEMBER 31	\$ -	\$ 775,863	\$ 1,568,829	\$ -	\$ -	\$ 351,462	\$ -	\$ 397,073	\$ 8,811,555

This statement is continued on the next page.

CITY OF SAVANNAH, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	DEBT SERVICE FUNDS			CAPITAL PROJECTS FUNDS								TOTAL NONMAJOR GOVERNMENTAL FUNDS
	GENERAL OBLIGATION BONDS	SPECIAL ASSESSMENTS	TOTAL	SPLOST 1998-2003	SPLOST 2003-2008	SPLOST 2009-2014	SPLOST 2014-2020	TAX ALLOCATION DISTRICT I	LODGING TAX TOURISM DEVELOPMENT	IMPACT FEES	TOTAL	
REVENUES:												
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,248,229	\$ -	\$ -	\$ 1,248,229	\$ 1,248,229
Selective sales tax												3,202,761
Intergovernmental revenue								3,195,095			3,195,095	10,095,701
Charges for services										522,407	522,407	3,080,669
Investment income	74,801	1,545	76,346	10,877	719,913	185,570	1,827,886	263,552	7,324	3,132	3,018,254	3,169,668
Miscellaneous revenue	50,452		50,452									240,356
Total revenues	125,253	1,545	126,798	10,877	719,913	185,570	1,827,886	4,706,876	7,324	525,539	7,983,985	21,037,384
EXPENDITURES:												
Police												336,975
Recorders court												341,813
Fire												715,005
Tourism enhancement												1,852,047
Grant program and administration												6,418,971
Community development program and administration												382,258
Debt Service:												
Principal	1,955,000		1,955,000					1,855,000			1,855,000	4,165,902
Interest and fiscal charges	687,832		687,832					827,732			827,732	1,548,518
Capital outlay - SPLOST funded				163,313	1,629,439	66,075	6,189,025		18,750		8,066,602	8,066,602
Total expenditures	2,642,832		2,642,832	163,313	1,629,439	66,075	6,189,025	2,682,732	18,750		10,749,334	23,828,091
Excess (deficiency) of revenues over (under) expenditures	(2,517,579)	1,545	(2,516,034)	(152,436)	(909,526)	119,495	(4,361,139)	2,024,144	(11,426)	525,539	(2,765,349)	(2,790,707)
OTHER FINANCING SOURCES (USES):												
Transfers in	2,642,832		2,642,832					1,908,176	2,201,461		4,109,637	7,727,677
Transfers out												(3,697,389)
Debt issuance												98,127
Total other financing sources (uses)	2,642,832		2,642,832					1,908,176	2,201,461		4,109,637	4,128,415
Net change in fund balances	125,253	1,545	126,798	(152,436)	(909,526)	119,495	(4,361,139)	3,932,320	2,190,035	525,539	1,344,288	1,337,708
FUND BALANCES - JANUARY 1	1,589,029	32,976	1,622,005	341,900	15,868,935	3,932,607	41,340,214	6,084,857			67,568,513	81,228,678
FUND BALANCES - DECEMBER 31	\$ 1,714,282	\$ 34,521	\$ 1,748,803	\$ 189,464	\$ 14,959,409	\$ 4,052,102	\$ 36,979,075	\$ 10,017,177	\$ 2,190,035	\$ 525,539	\$ 68,912,801	\$ 82,566,386

This statement is continued from the previous page.

CITY OF SAVANNAH, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS AND DEBT SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2023

	GRANT FUND				DISASTER RECOVERY			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:								
Intergovernmental revenue	\$ 10,758,294	\$ 11,000,000	\$ 5,991,998	\$ (5,008,002)	\$ 5,000,000	\$ 5,000,000	\$ 823,295	\$ (4,176,705)
Miscellaneous revenue			160,204	160,204				
Total revenues	10,758,294	11,000,000	6,152,202	(4,847,798)	5,000,000	5,000,000	823,295	(4,176,705)
EXPENDITURES:								
Grant program and administration	9,758,294	10,000,000	6,418,207	3,581,793	5,000,000	5,000,000	764	4,999,236
Debt Service:								
Principal	500,000	500,000	355,902	144,098				
Interest and fiscal charges	500,000	500,000	32,954	467,046				
Total expenditures	10,758,294	11,000,000	6,807,063	3,581,793	5,000,000	5,000,000	764	4,999,236
Excess (deficiency) of revenues over (under) expenditures			(654,861)	(1,266,005)			822,531	822,531
OTHER FINANCING SOURCES (USES):								
Transfers in			562,278	562,278			19,064	19,064
Transfers out			(5,544)	(5,544)			(489,084)	(489,084)
Debt issuance			98,127					
Total other financing sources (uses)			654,861	556,734			(470,020)	(470,020)
Net change in fund balance	\$ -	\$ -		\$ (709,271)	\$ -	\$ -	352,511	\$ 352,511
FUND BALANCE - JANUARY 1							423,352	
FUND BALANCE - DECEMBER 31			\$ -				\$ 775,863	

This schedule is continued on the next page.

CITY OF SAVANNAH, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS AND DEBT SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2023

	ECONOMIC DEVELOPMENT FUND				HAZARDOUS MATERIALS TEAM			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:								
Intergovernmental revenue	\$ -	\$ -	\$ 335	\$ 335	\$ 361,234	\$ 290,040	\$ 43,986	\$ (246,054)
Charges for services	6,020,641	2,000,000	2,087	(1,997,913)			317,350	317,350
Investment income			45,090	45,090				
Miscellaneous revenue			29,700	29,700				
Total revenues	6,020,641	2,000,000	77,212	(1,922,788)	361,234	290,040	361,336	71,296
EXPENDITURES:								
Fire					694,843	833,028	715,005	118,023
Community development program and administration	6,020,641	2,000,000	382,258	1,617,742				
Total expenditures	6,020,641	2,000,000	382,258	1,617,742	694,843	833,028	715,005	118,023
Deficiency of revenues under expenditures			(305,046)	(305,046)	(333,609)	(542,988)	(353,669)	189,319
OTHER FINANCING SOURCES:								
Transfers in					333,609	542,988	353,669	(189,319)
Total other financing sources					333,609	542,988	353,669	(189,319)
Net change in fund balance	\$ -	\$ -	(305,046)	\$ (305,046)	\$ -	\$ -		\$ -
FUND BALANCE - JANUARY 1			1,873,875					
FUND BALANCE - DECEMBER 31			\$ 1,568,829				\$ -	

This schedule is continued from the previous page.

CITY OF SAVANNAH, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS AND DEBT SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2023

	AUTOMOBILE RENTAL				PER OCCUPIED ROOM FEE			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:								
Selective sales taxes	\$ 2,026,000	\$ 3,500,000	\$ 3,202,761	\$ (297,239)	\$ -	\$ -	\$ -	\$ -
Charges for services					1,872,000	2,000,000	1,829,002	(170,998)
Total revenues	2,026,000	3,500,000	3,202,761	(297,239)	1,872,000	2,000,000	1,829,002	(170,998)
EXPENDITURES:								
Tourism enhancement					1,872,000	2,000,000	1,852,047	147,953
Total expenditures					1,872,000	2,000,000	1,852,047	147,953
Excess (deficiency) of revenues over (under) expenditures	2,026,000	3,500,000	3,202,761	(297,239)			(23,045)	(23,045)
OTHER FINANCING USES:								
Transfers out	(2,026,000)	(3,500,000)	(3,202,761)	297,239				
Total other financing uses	(2,026,000)	(3,500,000)	(3,202,761)	297,239				
Net change in fund balance	\$ -	\$ -		\$ -	\$ -	\$ -	(23,045)	\$ (23,045)
FUND BALANCE - JANUARY 1							374,507	
FUND BALANCE - DECEMBER 31			\$ -				\$ 351,462	

This schedule is continued from the previous page.

CITY OF SAVANNAH, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS AND DEBT SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2023

	COURT TECHNOLOGY FEE				CONFISCATED ASSETS			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:								
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ 400,000	\$ 40,992	\$ (359,008)
Charges for services	100,000	400,000	58,448	(341,552)			29,978	29,978
Investment income								
Total revenues	100,000	400,000	58,448	(341,552)	200,000	400,000	70,970	(329,030)
EXPENDITURES:								
Police					200,000	400,000	336,975	63,025
Recorders court	100,000	400,000	341,813	58,187				
Total expenditures	100,000	400,000	341,813	58,187	200,000	400,000	336,975	63,025
Deficiency of revenues under expenditures			(283,365)	(399,739)			(266,005)	(392,055)
OTHER FINANCING SOURCES:								
Transfers in			40,197	40,197				
Total other financing sources			40,197	40,197				
Net change in fund balance	\$ -	\$ -	(243,168)	\$ (283,365)	\$ -	\$ -	(266,005)	\$ (266,005)
FUND BALANCE - JANUARY 1			243,168				663,078	
FUND BALANCE - DECEMBER 31			\$ -				\$ 397,073	

This schedule is continued from the previous page.

CITY OF SAVANNAH, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS AND DEBT SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2023

	GENERAL OBLIGATION BOND DEBT SERVICE				SPECIAL ASSESSMENTS DEBT SERVICE			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:								
Special assessments					\$ 100,000	\$ 100,000	\$ -	\$ (100,000)
Investment income	\$ -	\$ -	\$ 74,801	\$ 74,801			1,545	1,545
Miscellaneous revenue			50,452	50,452				
Total revenues			125,253	125,253	100,000	100,000	1,545	(98,455)
EXPENDITURES:								
Principal	2,000,000	3,000,000	1,955,000	1,045,000	50,000	50,000		50,000
Interest and fiscal charges	1,690,049	2,000,000	687,832	1,312,168	50,000	50,000		50,000
Total expenditures	3,690,049	5,000,000	2,642,832	2,357,168	100,000	100,000		100,000
Excess (deficiency) of revenues over (under) expenditures	(3,690,049)	(5,000,000)	(2,517,579)	2,482,421	-	-	1,545	1,545
OTHER FINANCING SOURCES:								
Transfers in	3,690,049	5,000,000	2,642,832	(2,357,168)				
Total other financing sources	3,690,049	5,000,000	2,642,832	(2,357,168)				
Net change in fund balance	\$ -	\$ -	125,253	\$ 125,253	\$ -	\$ -	1,545	\$ 1,545
FUND BALANCE - JANUARY 1			1,589,029				32,976	
FUND BALANCE - DECEMBER 31			\$ 1,714,282				\$ 34,521	

This schedule is continued from the previous page.

**CITY OF SAVANNAH, GEORGIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2023**

	<u>ASSETS</u>	<u>RESOURCE RECOVERY</u>	<u>GOLF COURSE</u>	<u>TOTAL</u>
ASSETS				
Current assets:				
Cash and investments		\$ -	\$ 288,379	\$ 288,379
Total current assets		<u>288,379</u>	<u>288,379</u>	<u>288,379</u>
Noncurrent assets:				
Capital assets:				
Land		1,592,559		1,592,559
Plant, buildings, stations, reservoirs, etc			1,514,735	1,514,735
Improvements, other than buildings			7,370,205	7,370,205
Machinery and equipment			54,443	54,443
Other capital assets			17,794	17,794
Less accumulated depreciation			<u>(5,551,195)</u>	<u>(5,551,195)</u>
Total noncurrent assets		<u>1,592,559</u>	<u>3,405,982</u>	<u>4,998,541</u>
Total assets		<u>\$ 1,592,559</u>	<u>\$ 3,694,361</u>	<u>\$ 5,286,920</u>
<u>NET POSITION</u>				
Investment in capital assets		\$ 1,592,559	\$ 3,405,982	\$ 4,998,541
Unrestricted			<u>288,379</u>	<u>288,379</u>
Total net position		<u>\$ 1,592,559</u>	<u>\$ 3,694,361</u>	<u>\$ 5,286,920</u>

CITY OF SAVANNAH, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 2023

	<u>RESOURCE RECOVERY</u>	<u>GOLF COURSE</u>	<u>TOTAL</u>
OPERATING REVENUES:			
Rental fees	\$ -	\$ 100,678	\$ 100,678
Total operating revenues	<u> </u>	<u>100,678</u>	<u>100,678</u>
OPERATING EXPENSES:			
Contractual services		100,678	100,678
Depreciation		<u>274,254</u>	<u>274,254</u>
Total operating expenses		<u>374,932</u>	<u>374,932</u>
Operating Loss		<u>(274,254)</u>	<u>(274,254)</u>
NONOPERATING REVENUES:			
Interest earned		<u>12,906</u>	<u>12,906</u>
Total nonoperating revenues		<u>12,906</u>	<u>12,906</u>
Change in net position		(261,348)	(261,348)
Total net position - beginning	<u>1,592,559</u>	<u>3,955,709</u>	<u>5,548,268</u>
Total net position - ending	<u>\$ 1,592,559</u>	<u>\$ 3,694,361</u>	<u>\$ 5,286,920</u>

CITY OF SAVANNAH, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 2023

	<u>GOLF COURSE</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 100,678
Cash paid to suppliers	(100,678)
Net cash provided by operating activities	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investment income	\$ 12,906
Net cash provided by investing activities	<u>12,906</u>
INCREASE IN CASH AND CASH EQUIVALENTS	12,906
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>275,473</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ 288,379</u></u>
RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating (loss)	\$ (274,254)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation	274,254
Net cash provided by operating activities	<u><u>\$ -</u></u>

**CITY OF SAVANNAH, GEORGIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2023**

	<u>REVOLVING</u>	<u>RISK MANAGEMENT</u>	<u>TOTAL</u>
<u>ASSETS</u>			
ASSETS			
Current assets:			
Cash and investments	\$ 53,561,188	\$ 29,028,911	\$ 82,590,099
Receivables, net	2,859	847,000	849,859
Inventories	1,485,398		1,485,398
Total current assets	<u>55,049,445</u>	<u>29,875,911</u>	<u>84,925,356</u>
Capital assets:			
Plant, buildings, stations, reservoirs, etc	2,479,758		2,479,758
Improvements, other than buildings	610,615		610,615
Machinery and equipment	115,036,754		115,036,754
Lease and subscription right-of-use assets	13,190,126		13,190,126
Less accumulated depreciation and amortization	<u>(86,843,028)</u>		<u>(86,843,028)</u>
Total noncurrent assets	<u>44,474,225</u>		<u>44,474,225</u>
Total assets	<u>\$ 99,523,670</u>	<u>\$ 29,875,911</u>	<u>\$ 129,399,581</u>
<u>LIABILITIES AND NET POSITION</u>			
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 1,365,661	\$ 520,472	\$ 1,886,133
Current portion of compensated absences	223,658		223,658
Current portion of claims and judgments		6,880,538	6,880,538
Current obligation under leases and subscriptions	2,476,361		2,476,361
Total current liabilities	<u>4,065,680</u>	<u>7,401,010</u>	<u>11,466,690</u>
Noncurrent liabilities:			
Compensated absences	315,490		315,490
Claims and judgments		2,957,901	2,957,901
Obligations under leases and subscriptions	6,558,891		6,558,891
Total noncurrent liabilities	<u>6,874,381</u>	<u>2,957,901</u>	<u>9,832,282</u>
Total liabilities	<u>10,940,061</u>	<u>10,358,911</u>	<u>21,298,972</u>
NET POSITION			
Investment in capital assets	34,803,677		34,803,677
Unrestricted	<u>53,779,932</u>	<u>19,517,000</u>	<u>73,296,932</u>
Total net position	<u>88,583,609</u>	<u>19,517,000</u>	<u>108,100,609</u>
Total liabilities and net position	<u>\$ 99,523,670</u>	<u>\$ 29,875,911</u>	<u>\$ 129,399,581</u>

CITY OF SAVANNAH, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2023

	REVOLVING	RISK MANAGEMENT	TOTAL
OPERATING REVENUES:			
Charges for services	\$ 33,795,398	\$ -	\$ 33,795,398
Risk management fees		33,731,306	33,731,306
	<hr/>	<hr/>	<hr/>
Total operating revenues	33,795,398	33,731,306	67,526,704
	<hr/>	<hr/>	<hr/>
OPERATING EXPENSES:			
Depreciation and amortization	10,122,729		10,122,729
Central garage	9,754,082		9,754,082
Information services	12,208,268		12,208,268
Risk management		44,498,901	44,498,901
	<hr/>	<hr/>	<hr/>
Total operating expenses	32,085,079	44,498,901	76,583,980
	<hr/>	<hr/>	<hr/>
Operating Income (Loss)	1,710,319	(10,767,595)	(9,057,276)
	<hr/>	<hr/>	<hr/>
NONOPERATING REVENUES (EXPENSES):			
Interest earned	2,408,433	1,366,179	3,774,612
Interest expense	(178,273)		(178,273)
Gain on disposal of assets	1,080,258		1,080,258
	<hr/>	<hr/>	<hr/>
Total nonoperating revenues	3,310,418	1,366,179	4,676,597
	<hr/>	<hr/>	<hr/>
Income before transfers	5,020,737	(9,401,416)	(4,380,679)
	<hr/>	<hr/>	<hr/>
TRANSFERS IN	1,001		1,001
	<hr/>	<hr/>	<hr/>
Change in net position	5,021,738	(9,401,416)	(4,379,678)
	<hr/>	<hr/>	<hr/>
Total net position - beginning	83,561,871	28,918,416	112,480,287
	<hr/>	<hr/>	<hr/>
Total net position - ending	\$ 88,583,609	\$ 19,517,000	\$ 108,100,609
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CITY OF SAVANNAH, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2023

	<u>REVOLVING</u>	<u>RISK MANAGEMENT</u>	<u>TOTAL</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from other funds for services	\$ 33,795,398	\$ -	\$ 33,795,398
Cash received from other funds for services and fees		33,731,306	33,731,306
Cash paid to suppliers	(23,675,451)		(23,675,451)
Cash paid for claims and insurance		(40,989,930)	(40,989,930)
Net cash provided by (used by) operating activities	<u>10,119,947</u>	<u>(7,258,624)</u>	<u>2,861,323</u>
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES:			
Transfers In	<u>1,001</u>		<u>1,001</u>
Net cash provided by non capital financing activities	<u>1,001</u>		<u>1,001</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Sale of equipment	1,080,258		1,080,258
Acquisition and construction of capital assets	(10,362,131)		(10,362,131)
Principal paid on long-term debt	(2,326,266)		(2,326,266)
Interest paid	(178,273)		(178,273)
Net cash used by capital and related financing activities	<u>(11,786,412)</u>		<u>(11,786,412)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment income	2,408,433	1,366,179	3,774,612
Net cash provided by investing activities	<u>2,408,433</u>	<u>1,366,179</u>	<u>3,774,612</u>
CHANGE IN CASH AND CASH EQUIVALENTS	742,969	(5,892,445)	(5,149,476)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>52,818,219</u>	<u>34,921,356</u>	<u>87,739,575</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 53,561,188</u>	<u>\$ 29,028,911</u>	<u>\$ 82,590,099</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES:			
Operating income (loss)	\$ 1,710,319	\$ (10,767,595)	\$ (9,057,276)
Adjustments to reconcile operating income (loss) to net cash provided by (used by) operating activities:			
Depreciation and amortization	10,122,729		10,122,729
Change in assets and liabilities:			
Increase in receivables	(2,319)		(2,319)
Decrease in inventories	157,902		157,902
Decrease in accounts payable	(1,935,415)	(183,949)	(2,119,364)
Increase in compensated absences	66,731		66,731
Increase in claims and judgments payable		3,692,920	3,692,920
Net cash provided by (used by) operating activities	<u>\$ 10,119,947</u>	<u>\$ (7,258,624)</u>	<u>\$ 2,861,323</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Leases and SBITAs	\$ 5,805,818	\$ -	\$ 5,805,818

**CITY OF SAVANNAH, GEORGIA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2023**

	PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS				CUSTODIAL FUNDS		
	PENSION TRUST	OLD PENSION TRUST	OPEB TRUST	TOTAL	RECORDERS COURT	FLEXIBLE BENEFITS	TOTAL
<u>ASSETS</u>							
Cash and cash equivalents	\$ 5,005,954	\$ 203,265	\$ 2,823,815	\$ 8,033,034	\$ 318,703	\$ 320,443	\$ 639,146
Accrued income	759,469			759,469			
Accounts receivable:							
From employers	15,069			15,069			
From participants	142,434			142,434			
Investments, at fair value:							
U.S. government obligations	99,220,189		8,875,654	108,095,843			
Foreign corporate bonds	831,864			831,864			
Domestic corporate bonds	27,934,117		18,144,926	46,079,043			
Domestic equities	192,940,460		53,339,833	246,280,293			
International equities	70,267,771		11,190,003	81,457,774			
Real estate fund	47,731,245		10,214,189	57,945,434			
Total investments	438,925,646		101,764,605	540,690,251			
Total assets	444,848,572	203,265	104,588,420	549,640,257	318,703	320,443	639,146
<u>LIABILITIES AND NET POSITION</u>							
Liabilities:							
Accounts payable	294,562		171,976	466,538	318,703	1,935	320,638
Total liabilities	294,562		171,976	466,538	318,703	1,935	320,638
Net Position:							
Restricted for:							
Pensions	444,554,010	203,265		444,757,275			
Post employment benefits other than pensions			104,416,444	104,416,444			
Individuals						318,508	318,508
Total net position	\$ 444,554,010	\$ 203,265	\$ 104,416,444	\$ 549,173,719	\$ -	\$ 318,508	\$ 318,508

CITY OF SAVANNAH, GEORGIA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2023

	PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS				CUSTODIAL FUNDS		
	PENSION TRUST	OLD PENSION TRUST	OPEB TRUST	TOTAL	RECORDER'S COURT	FLEXIBLE BENEFITS PLAN	TOTAL
ADDITIONS							
Contributions:							
Employers	\$ 12,975,840	\$ -	\$ 154,047	\$ 13,129,887	\$ -	\$ -	\$ -
Plan members	8,822,722		2,194,758	11,017,480		657,468	657,468
Fines and forfeitures collected for other governments					4,336,157		4,336,157
Total contributions	21,798,562		2,348,805	24,147,367	4,336,157	657,468	4,993,625
Investment income:							
Interest	3,628,874	9,131	94,649	3,732,654			
Dividends	1,888,472		364,396	2,252,868			
Real estate net income (loss)	(8,041,464)		1,225,991	(6,815,473)			
Net appreciation in fair value of investments	47,062,244		14,913,980	61,976,224			
Total investment income	44,538,126	9,131	16,599,016	61,146,273			
Less investment expense	1,933,770		523,248	2,457,018			
Net investment income	42,604,356	9,131	16,075,768	58,689,255			
Total additions	64,402,918	9,131	18,424,573	82,836,622	4,336,157	657,468	4,993,625
DEDUCTIONS							
Benefits	36,892,182	1,500	6,590,498	43,484,180		632,173	632,173
Refunds of contributions	1,844,993			1,844,993			
Payments of fines and forfeitures to other governments					4,336,157		4,336,157
Administrative expense	188,293		413,178	601,471		22,056	22,056
Total deductions	38,925,468	1,500	7,003,676	45,930,644	4,336,157	654,229	4,990,386
Change in net position	25,477,450	7,631	11,420,897	36,905,978		3,239	3,239
Beginning of year - January 1	419,076,560	195,634	92,995,547	512,267,741		315,269	315,269
End of year - December 31	\$ 444,554,010	\$ 203,265	\$ 104,416,444	\$ 549,173,719	\$ -	\$ 318,508	\$ 318,508

CITY OF SAVANNAH, GEORGIA
SCHEDULE OF PROJECTS FUNDED WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2023

Project Number		Total Estimated Cost to be Funded from All Sources	Original Sales Tax Funding per Referendum Resolution	Current Estimated Cost to be Funded by Sales Tax	Sales Tax Funded Expenditures			
					Prior Years	Current Year	Total	Remaining Balance
SPLOST 98-2003								
	Savannah Drainage Projects		\$ 77,500,000					
DR0111	Kayton Pump Station Phase 2	\$ 1,219,860		\$ 987,471	\$ 987,471	\$ -	\$ 987,471	\$ -
DR0112	Harman Canal Drainage Improvements	1,255,555		1,219,555	1,219,555		1,219,555	
DR0113	Kayton Canal Equipment Purchase	948,947		948,947	948,947		948,947	
DR0114	Kayton Railroad Bridge Replacement	513,231		513,231	513,231		513,231	
DR0115	Montgomery Crossroads Bridge	75,829		55,004	55,004		55,004	
DR0116	Montgomery Crossroads Equipment Purchase	1,413,719		1,409,619	1,409,619		1,409,619	
DR0117	Springfield Canal Bridges	157,966		156,166	156,166		156,166	
DR0118	Williams Ward Detention	370,094		370,094	370,094		370,094	
DR0119	Springfield Canal 2-Year Storm	2,966,599		2,966,555	2,966,555		2,966,555	
DR0120	Westside Equipment Purchase	2,226,160		283,900	283,900		283,900	
DR0121	Westside Detention	895,997		112	112		112	
DR0122	Westside Pump Station & Line	14,230,285		12,728,054	12,728,054		12,728,054	
DR0123	Westside Interceptor	9,230,669		3,171,712	3,171,712		3,171,712	
DR0124	Montgomery Crossroads Pump Station	10,287,983		10,213,431	10,213,431		10,213,431	
DR0125	Wilshire Canal	2,848,286		2,848,286	2,848,286		2,848,286	
DR0126	Holland Canal	3,139,533		3,137,685	3,137,685		3,137,685	
DR0127	Windsor Canal	2,810,852		1,659,473	1,659,473		1,659,473	
DR0129	Local Match GEMA Grants	7,677,531		2,651,266	2,651,266		2,651,266	
DR0130	Kayton Spill Clean Up	1,093,173		39,504	39,504		39,504	
DR0201	DeRenne Pump Station	15,848,251		970,000	970,000		970,000	
DR0204	Casey South Drainage	24,607,402		21,507,611	21,507,611		21,507,611	
DR0205	Demere Ward Detention	75,751		75,751	75,751		75,751	
DR0206	Springfield Canal Roads	328,729		285,014	285,014		285,014	
DR0207	Nicholson Woods-White Bluff	112,152		48,657	48,657		48,657	
DR0211	Windsor Sub-Basin	50,926		50,926	50,926		50,926	
DR0212	SCADA I	52,833		17,330	17,330		17,330	
DR0214	Pump Station Metal Building Upgrade	245,993		245,993	245,993		245,993	
DR0215	Bilbo-North Casey Drainage	1,490,913		205,000	205,000		205,000	
DR0301	Springfield Canal	12,144,945		7,652,969	7,652,969		7,652,969	
DR0304	SCADA II	94,817		36,446	36,446		36,446	
DR0305	Bilbo Basin	15,766,216		157,366	157,366		157,366	
DR0501	Cranman Drive Culvert Replacement	336,133		336,133	336,133		336,133	
DR0503	Wilshire Basin Study	9,480,032		1,746,691	1,746,691		1,746,691	
DR0505	Brick Line Replacement	1,972,603		865,733	865,733		865,733	
DR0507	Downtown Bilbo Drainage Basin	143,300		143,300	143,300		143,300	
DR0601	City Lot Drainage Improvements	277,975		23,475	23,475		23,475	
DR0800	Westside Flooding Remediation	1,740,616		640,616	640,616		640,616	
DR0802	Placentia Phase I	1,203,715		42,000	42,000		42,000	
DR0803	Jackson Woods Drainage-Phase 2	2,084,696		98,736	98,736		98,736	
DR0805	Nicholson Woods-Phase 2	235,505		75,142	75,142		75,142	
DR0901	Windsor-Wilshire Basin	525,668		525,668	525,668		525,668	
DR0910	Storm Sewer Rehab	1,621,535		115,919	115,919		115,919	
DR0911	Casey South Drainage-Phase II	40,224,526		1,063,707	900,392	163,313	1,063,705	2
WT0510	Extension to Unserved Areas	115,854		58,437	58,437		58,437	
	Other Capital Outlay Projects		16,292,341					
OP0120	RR Roundhouse Battlefield Park	1,528,258		190,000	190,000		190,000	
OP0327	Electric Street Cars	1,385,419		170,000	170,000		170,000	
OP0541	Hwy 21/Snow Green Land	1,507,437		1,507,437	1,507,437		1,507,437	
OP0611	Eastside Sidewalks	500,778		17,268	17,268		17,268	
OP0638	Railroad Property Acquisition	6,398,268		3,590,551	3,590,551		3,590,551	
PB0310	History Museum Bldg Repair	838,311		15,000	15,000		15,000	
PB0412	Forsyth Park Fort	6,723,755		1,003,550	1,003,550		1,003,550	
PB0621	Ellis Square Parking Garage	54,076,595		1,691,000	1,691,000		1,691,000	
PD0801	West 57th Street Boulevard	2,105,369		555,117	555,117		555,117	
PD0901	Meding Street Curve	206,059		206,059	206,059		206,059	
RE0412	Boaen Tract Open Space	22,812		22,000	22,000		22,000	

This schedule is continued on the next page.

CITY OF SAVANNAH, GEORGIA
SCHEDULE OF PROJECTS FUNDED WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2023

Project Number		Total Estimated Cost to be Funded from All Sources	Original Sales Tax Funding per Referendum Resolution	Current Estimated Cost to be Funded by Sales Tax	Sales Tax Funded Expenditures			
					Prior Years	Current Year	Total	Remaining Balance
SPLOST 98-2003								
RE0604	Band Shell	595,770	787,500	577,950	577,950		577,950	
RE0805	Daffin Park Master Plan	4,783,503		3,495,000	3,495,000		3,495,000	
SP0212	1% Sidewalk Construction	675,220		674,423	674,423		674,423	
SP0214	Wheelchair Access Ramps	321,384		735	735		735	
SP0308	Cuyler-Brownsville Sidewalk	28,665		23,265	23,265		23,265	
SP0608	2020 LMIG	2,219,647		218,146	218,146		218,146	
SP0910	1% Sidewalk Construction	1,068,137		808,309	808,309		808,309	
SQ0411	MLK Median Landscaping	833,130		322,000	322,000		322,000	
SQ0502	Elbert Square Acquisition	828,635		828,635	828,635		828,635	
SQ0603	Historical Wall Preservation	1,096,139		200,000	200,000		200,000	
SQ0701	Liberty Square Reconstruction	134,640		80,000	80,000		80,000	
TE0502	MLK Median Installation	330,616		48,000	48,000		48,000	
OP0515	Fire Capital Outlay	229,535	250,000	172,566	172,566		172,566	
	Open Space Acquisition		3,339,424					
OP0339	Wilshire Complex	418,258		12,258	12,258		12,258	
OP0529	Mohawk Lake Acquisition	348,443		348,443	348,443		348,443	
PB0820	Crusader Neighborhood Center	422,698		110,746	110,746		110,746	
PD0400	Savannah Gardens Phase I	13,745,795		872	872		872	
RE0123	Master Plan-Mohawk Property	72,040		1,557	1,557		1,557	
RE0129	Edgemoor/Sackville Recreation	195,967		82,470	82,470		82,470	
RE0307	Windsor Forest Pond	121,979		121,979	121,979		121,979	
RE0511	Cuyler-Brownsville Park	1,141,463		404,458	404,458		404,458	
RE0512	Vernon River Park	275,345		113,043	113,043		113,043	
RE0611	Open Space Acquisition	409,426		407,143	407,143		407,143	
RE0612	Habersham Woods Park	183,543		183,543	183,543		183,543	
RE0613	Stark-Clinch Greenspace	122,107		122,107	122,107		122,107	
RE0615	Southside Park-Mohawk	595,734		595,734	595,734		595,734	
RE0807	Largo-Windsor Area Lake	1,161,430		402,233	402,233		402,233	
TOTALS SPLOST 98-2003 FUND		\$ 301,795,665	\$ 98,169,265	\$ 101,672,282	\$ 101,508,967	\$ 163,313	\$ 101,672,280	
							2	

NOTE: (1) This schedule lists projects that are funded by special purpose sales tax revenue. Projects may have additional funding sources.
(2) The Total Estimated Cost to be Funded From All Sources reported on this schedule is different than the amounts reported on the prior year's schedule.

This schedule is continued from the previous page.

CITY OF SAVANNAH, GEORGIA
SCHEDULE OF PROJECTS FUNDED WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2023

PROJECT NUMBER	Total Estimated Cost to be Funded from All Sources	Original Sales Tax Funding per Referendum Resolution	Current Estimated Cost to be Funded by Sales Tax	Sales Tax Funded Expenditures			Remaining Balance	
				PRIOR YEARS	CURRENT YEAR	TOTAL		
SPLOST 2003-2008 FUND:								
PB0621	Ellis Square Parking Garage	54,076,595	7,114,296	7,114,296		7,114,296		
PB0634	Moses Jackson Center Roof	943,543	14,644	14,644		14,644		
PB0730	Bacon Park Tennis Courts Reconst.	731,868	376,104	376,104		376,104		
PB0824	Moses Jackson-Phase 2	2,051,473	1,049,424	1,049,424		1,049,424		
PB0827	Bacon Park Clubhouse Renovations	868,702	380,000	380,000		380,000		
PD0101	MURP II	1,181,119	457,750	457,750		457,750		
PD0102	Midtown Street Improvements	9,663	9,663	9,663		9,663		
PD0107	Woodville Park Improvement	1,563	1,563	1,563		1,563		
PD0108	Dixon Park	23,381	23,381	23,381		23,381		
PD0109	Dixon Park Street Improvement	77,561	77,561	77,561		77,561		
PD0110	Feiler Terrace Passive Park	12,262	12,262	12,262		12,262		
PD0111	East Savannah Lighting	84,939	84,939	84,939		84,939		
PD0114	Housing Construction Svc. Office	153,691	1,480	1,480		1,480		
PD0202	Hudson Hill Sidewalk Improvements	93,612	93,612	93,612		93,612		
PD0203	Sylvan Terrace Irrigation System	98,465	98,465	98,465		98,465		
PD0205	Metro Sidewalk West 41st Street	49,430	49,430	49,430		49,430		
PD0309	Waters Avenue Corridor	7,281,031	367,831	367,831		367,831		
PD0310	Youth Advancement Center	839,229	416,000	416,000		416,000		
PD0400	Savannah Gardens Phase I	13,745,795	242,766	242,766		242,766		
PD0801	West 57th Street Blvd.	2,105,369	484,599	484,599		484,599		
PD0805	WS-Acquisition Moses Jackson Property	114,224	114,224	114,224		114,224		
PD0806	Augusta Avenue Revitalization	1,235,473	1,132,582	1,132,582		1,132,582		
PD0808	WS-Tree Lawn & Buffering	10,012	10,012	10,012		10,012		
PD0902	Montgomery-Meding-56th	152,870	152,870	152,870		152,870		
PD0903	Eastside Sidewalk Access	100,158	100,158	100,158		100,158		
PD0904	West 56th Street Rebricking	378,314	378,314	378,314		378,314		
PD0906	Midtown Acquisition	433,352	433,352	433,352		433,352		
PD0907	Kline Street Play Area	125,984	125,984	125,984		125,984		
PD0908	37th & Bulloch Greenspace	48,592	48,591	48,591		48,591		
PD0909	Historic Street Lighting CB	5,335	5,335	5,335		5,335		
PD0910	Rockwell Park	76,970	76,970	76,970		76,970		
PD0911	40th Street Lane Paving	27,665	27,665	27,665		27,665		
PD0912	Municipal Parking Lot	31,900	31,900	31,900		31,900		
PD0915	Right-of-Way Improvements	135,000	135,000	135,000		135,000		
PD0916	Edgemore-Sackville Curbing	97,490	97,490	97,490		97,490		
RE0224	Cann Park Improvements	298,935	43,102	43,102		43,102		
PD0313	Savannah Shines	1,559,981	531,340	531,340		531,340		
	Public Safety Equipment	1,241,500	1,241,500	1,241,500		1,241,500		
TOTALS SPLOST 2003-2008 FUND		\$ 383,432,659	\$ 97,640,895	\$ 107,193,722	\$ 91,660,601	\$ 1,629,439	\$ 93,290,040	\$ 13,903,682

NOTE: (1) This schedule lists projects that are funded by special purpose sales tax revenue. Projects may have additional funding sources.
(2) The Total Estimated Cost to be Funded From All Sources reported on this schedule is different than the amounts reported on the prior year's schedule.

CITY OF SAVANNAH, GEORGIA
SCHEDULE OF PROJECTS FUNDED WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2023

PROJECT NUMBER		Total Estimated Cost to be Funded from All Sources	Original Sales Tax Funding per Referendum Resolution	Current Estimated Cost to be Funded by Sales Tax	Sales Tax Funded Expenditures				Remaining Balance						
					PRIOR YEARS	CURRENT YEAR	TOTAL								
SPLOST 2009-2014 FUND:															
	City of Savannah Projects		\$	160,000,000											
DR0215	Bilbo-North Casey Drainage	\$	1,490,913	\$	860,913	\$	860,913	\$	-	\$	860,913	\$	-		
DR0308	Bilbo Box Culver Improvements		25,715,393		10,210,000		10,210,000				10,210,000				
DR0602	Baldwin Park Drainage		3,740,363		3,740,362		3,740,362				3,740,362				
DR0911	Casey South Drainage Phs II		40,224,526		2,465,721								2,465,721		
OP0136	Public Safety Video Surveillance		1,246,456		1,246,455		1,246,455				1,246,455				
OP0208	Children's Museum - Battlefield Park		6,535,504		6,500,000		6,500,000				6,500,000				
OP0253	Public Safety Camera Plan		136,054		3,550		3,550				3,550				
OP0651	E911 System Upgrade		356,571		356,572		356,572				356,572				
PB0138	Savannah Public Services Complex		909,089		495,803		495,803				495,803				
PB0149	SCMPD Central Precinct		8,393,884		7,223,020		7,223,020				7,223,020				
PB0220	Bacon Park Tennis Building		1,151,349		1,151,280		1,151,280				1,151,280				
PB0227	Grayson Stadium Renovations		3,023,188		3,000,000		3,000,000				3,000,000				
PB0240	Bomb Squad Roof Replacement		73,900		40,919		40,919				40,919				
PB0423	New Fire Stations		3,217,102		3,217,102		3,217,102				3,217,102				
PB0426	Waters Ave Property Purchase		1,949,014		1,949,014		1,949,014				1,949,014				
PB0428	Public Safety Headquarters		1,058,872		1,058,872		1,058,872				1,058,872				
PB0526	Command Control Center		993,248		16,738		16,738				16,738				
PB0537	Facilities at Interchange Ct		43,001,741		19,462,178		19,462,178				19,462,178				
PB0539	Acquire 2155 West Gwinnett St Property		148,156		1,448,157		1,448,157				1,448,157				
PB0637	Fire Training Facility		1,891,049		1,282,899		1,282,899				1,282,899				
PB0644	Sav Fire Support Center & Code Compliance Offices		3,279,303		129,303		129,303				129,303				
PB0646	Edwin Street Parking Lot		300,000		300,000		146		85,575		85,721		214,279		
PB0821	Cultural Arts Center		24,161,787		17,400,001		17,400,001				17,400,001				
PB0828	Westside Property Acquisition		3,619,002		837,860		837,860				837,860				
PB0836	Savannah Public Safety Metroplex		10,084,819		9,536,844		9,536,844				9,536,844				
PD0308	Fellwood Homes Site Infrastructure		3,658,417		3,658,417		3,658,417				3,658,417				
PD0309	Water Avenue Streetscape		6,613,936		3,350,000		3,350,000				3,350,000				
PD0400	Savannah Gardens Phase I		13,745,795		11,055,577		11,055,577				11,055,577				
PD0601	MLK Corridor-Savannah Pharmacy		464,093		464,093		464,093				464,093				
RE0309	Coffee Bluff Fishing Pier		5,521,719		4,490,000		4,490,000				4,490,000				
RE0805	Daffin Park Master Plan		4,783,503		1,000,000		1,000,000				1,000,000				
TE0422	I-16 Flyover Conceptual Master		25,000		25,000		25,000				25,000				
TE0607	Street Lighting Upgrade		1,000,000		1,000,000		118,200		46,424		164,624		835,376		
TE0610	37th St Corridor Signal		340,000		340,000								340,000		
TE0611	Eisenhower Drive Signal Interconnection		360,000		360,000		22,209				22,209		337,791		
TE0612	Downtown Traffic Signal		346,986		300,000		300,000				300,000				
TE0615	Stiles Ave Extension		477,490		411,491		477,415		(65,924)		411,491				
TE0709	Gwinn St Widening (I16 Stiles)		17,649,583		582,649		582,649				582,649				
TOTALS SPLOST 2009-2014 FUND		\$	241,687,805	\$	160,000,000	\$	120,970,790	\$	116,711,548	\$	66,075	\$	116,777,623	\$	4,193,167

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(3) The Current Estimated Cost to be Funded by Sales Tax reported on this schedule is different than the amounts reported on the prior year's schedule.

This schedule is continued from the previous page.

CITY OF SAVANNAH, GEORGIA
SCHEDULE OF PROJECTS FUNDED WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2023

PROJECT NUMBER		Total Estimated Cost to be Funded from All Sources	Original Sales Tax Funding per Referendum Resolution	Current Estimated Cost to be Funded by Sales Tax	Sales Tax Funded Expenditures								
					PRIOR YEARS	CURRENT YEAR	TOTAL	Remaining Balance					
SPLOST 2014-2020 FUND:													
	City of Savannah Projects		\$	190,000,000									
CC0206	New Cc Arena	\$	168,275,109	\$	119,324,690	\$	117,591,144	\$	1,733,543	\$	119,324,687	\$	3
DR0131	Drainage Box Rehabilitations		8,240,000		8,240,000		2,488,821		127,510		2,616,331		5,623,669
DR0132	Placentia Basin Drainage Impro		7,000,000		7,000,000		1,705,087		815,932		2,521,019		4,478,981
DR0308	Bilbo Box Culvert Impro		25,715,393		4,941,839		5,017,542		(75,703)		4,941,839		
DR0309	Colonial Drive Drainage		355,929		355,929		355,929				355,929		
DR0508	Bilbo Basin Study		70,000		70,000		66,845				66,845		3,155
DR0705	Montg Xrd Pump Stn Ctrl Upgrade		450,000		450,000		313,316		39,417		352,733		97,267
DR0811	Bilbo Box Culvert Impr phase II		6,108,879		654,830				654,830		654,830		
OP0144	Savannah Children's Museum		1,500,000		1,500,000		317,403		928,357		1,245,760		254,240
OP0145	Pedestrian Wayfinding Signage		700,000		500,000		94,797				94,797		405,203
OP0146	Wireless/Fiber Infrastructure		2,399,081		2,383,500		488,668		436,691		925,359		1,458,141
OP0255	Data Ctr move out of Civic Ctr		1,076,181		116,500		116,500				116,500		
OP0414	Traffic Calming Devices		809,551		500,000		500,000				500,000		
OP0429	Caretaker's Cottage Restoration		605,522		500,000		500,000				500,000		
OP0432	Washington Ave Tree Lawn		27,943		27,943		27,943				27,943		
OP0434	Leedsgate Community Improve		130,573		4,483		160		4,323		4,483		
OP0932	Radio Network Infrastructure		2,152,432		2,152,432		2,152,432				2,152,432		
PB0148	Grant Center		4,500,000		2,000,000		2,000,000				2,000,000		
PB0150	Hutchinson Is Public Safety Facility		235,960		235,960		235,960				235,960		
PB0153	LaVida Property Acquisition		463,857		463,857		463,857				463,857		
PB0336	Highlands Fire Station		3,674,600		3,674,600		3,645,252		29,348		3,674,600		
PB0533	Fire Station Sweetwater		3,329,912		2,932,354		2,932,354				2,932,354		
PB0537	Facilities at Interchange Ct		43,001,741		6,337,822		6,337,822				6,337,822		
PB0640	Tricentennial Pk Facility Impr		115,788		115,788				54,417		54,417		61,371
PB0641	Arena Parking Facility		13,884,357		5,376,890		5,376,890				5,376,890		
PB0642	John Delaware Ctr Renovation		1,602,500		1,600,000		1,466,660		90,998		1,557,658		42,342
PB0643	8 Interchange Ct Fac Improvements		1,503,507		1,000,000		1,000,000				1,000,000		
PB0644	Sav Fire Support Ctr & Code Cor		3,279,303		2,150,000		1,352,877		554,099		1,906,976		243,024
PB0754	Priority Public Safety Facilities		11,899,100		800,000		8,101		79,785		87,886		712,114
PB0755	Arena Pkg Pedestrian Bridge		1,309,852		1,000,000		1,000,000				1,000,000		
PB0821	Cultural Arts Center		24,161,787		600,000		600,000				600,000		
PB0840	Fire Building Maint		765,676		50,000		50,000				50,000		
PB0842	Tomkins Ctr Renov & Expansion		3,070,715		1,500,367		1,500,367				1,500,367		
PB0929	Family Resource Center Penn Ave		7,164,043		7,159,504		7,159,504				7,159,504		
PD0117	Hitch Village Redevelopment		6,224,000		6,224,000		2,533,617				2,533,617		3,690,383
PD0208	Ogeecheeton Sign		10,115		10,115		10,115				10,115		
PD0209	Fernwood Sign		7,027		7,027		7,027				7,027		
PD0211	Carver Village Neighbor Sign		5,644		5,644		5,644				5,644		
PD0212	Twickenham Sign		9,382		9,382		9,382				9,382		
PD0213	Summerside Sign		11,897		11,897		11,897				11,897		
PD0214	Feiler Terrace Signs		17,067		17,067		17,067				17,067		
PD0215	Feiler Terrace Park Improvments		2,675		2,675		2,675				2,675		
PD0302	Cann Park Sidewalks		310,144		131,143		131,143				131,143		
PD0309	Waters Ave Corridor Improvements		6,613,936		900,000		900,000				900,000		
PD0311	Tremont Park Sign		11,613		11,613		11,613				11,613		
PD0312	Cann Park Sign		7,497		7,497		7,497				7,497		

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CITY OF SAVANNAH, GEORGIA
SCHEDULE OF PROJECTS FUNDED WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2023

PROJECT NUMBER		Total Estimated Cost to be Funded from All Sources	Original Sales Tax Funding per Referendum Resolution	Current Estimated Cost to be Funded by Sales Tax	Sales Tax Funded Expenditures			Remaining Balance
					PRIOR YEARS	CURRENT YEAR	TOTAL	
SPLOST 2014-2020 FUND:								
PD0314	Twickenham/Pine Garden Park	18,532		18,532	18,532		18,532	
PD0400	Sav Gardens Phase 1	13,745,795		530,000	530,000		530,000	
PD0403	Woodville Neighborhood Sign	4,423		4,423	4,423		4,423	
PD0404	Parkwood Sign	6,093		6,093	6,093		6,093	
PD0504	Glynnwood Sign	12,657		12,657	12,657		12,657	
PD0506	Poplar Place Sign	17,237		17,237	17,237		17,237	
PD0700	Neighborhood Improvements	47,173		47,173				47,173
PD0703	Water Works Lot Redevelopment	635,310		635,310	478,971	140,957	619,928	15,382
PD0806	Augusta Ave Revitalization	1,235,473		80,862	80,862		80,862	
PT0202	Factors Walk Wall Stabilization	1,105,447		800,000	93,878	7,310	101,188	698,812
PT0401	District 4 Irrigation Improvements	22,358		22,358	22,358		22,358	
PT0701	Forsyth Park Lighting Improvements	1,000,000		1,000,000	2,350		2,350	997,650
RE0124	Southside Park Development	1,436,484		1,249,378	1,249,378		1,249,378	
RE0125	Athletic Field Turf	1,593,195		1,593,196	1,593,196		1,593,196	
RE0128	Bee Road Park	66,235		66,235	66,235		66,235	
RE0129	Edgemere/Sackville Recreation	195,967		113,497	113,497		113,497	
RE0130	Kensington Park Playground	77,550		77,550	77,550		77,550	
RE0131	Hudson Hill Ballpark Lighting	13,253		13,253	13,253		13,253	
RE0133	Sylvan Terrace Park	305,276		305,276	305,276		305,276	
RE0134	Ogeecheeton Park Improvements	2,100		2,100	2,100		2,100	
RE0135	Summerside Playground	187,262		12,262				12,262
RE0222	Twickenham Holly Heights Green Space	290,097		290,097	290,097		290,097	
RE0223	Summerside Playground	332,836		332,837	332,837		332,837	
RE0224	Cann Park Improvements	298,935		255,834	255,834		255,834	
RE0225	Mayfair Playground Improvements	124,611		100,000	100,000		100,000	
RE0226	Ambush Park Improvements	37,233		37,233	37,233		37,233	
RE0227	Myers Park	1,354		1,353	1,353		1,353	
RE0228	Liberty City Comm Ctr	34,470		34,470	34,470		34,470	
RE0309	Coffee Bluff Fishing Pier	5,521,719		85,000	85,000		85,000	
RE0314	Avondale Park Shelter	39,750		39,750	39,750		39,750	
RE0316	Attwood Street Park Improvements	357,885		357,885	357,885		357,885	
RE0317	Windsor Rd Property Acquisition	272,009		271,809	271,809		271,809	
RE0414	Joe Tribble Park	195,710		195,710	195,710		195,710	
RE0415	Tremont Basketball Resurfacing	86,771		86,771	86,771		86,771	
RE0416	Brinkman Park Improvements	1,858		1,858	1,858		1,858	
RE0417	Windsor Neighborhood Park	406,547		406,547	406,547		406,547	
RE0418	Treat Park Expansion	66,202		66,202	66,202		66,202	
RE0419	Veterans Park	134,293		134,293	134,293		134,293	
RE0421	Holly Heights Improvements	434,367		378,741	378,340		378,340	401
RE0422	Cloverdale Park Playground Improvements	56,799		56,799	56,799		56,799	
RE0423	Jan Street Park Improvementst	102,371		102,371	102,371		102,371	
RE0424	Kensington Park Improvements	2,708		2,708	2,708		2,708	
RE0425	Sheridan Circle Greenscape	7,446		7,446	7,446		7,446	
RE0426	District 5 Basketball Court Improvements	43,485		43,486	43,486		43,486	
RE0427	Highlands Park Developments	1,295,588		539,588	94,346	445,242	539,588	
RE0517	Ogeecheeton Playground Improvements	88,464		88,464	88,464		88,464	
RE0616	Crusader Bball Court Resurface	5,982		5,982	5,982		5,982	
RE0720	Fernwood Neighborhood Park	450,000		450,000	43,425	4,983	48,408	401,592
RE0820	Joe Tribble Park Improvements	2,571,535		24,525	24,525		24,525	
RE0821	Athletic Facilities Rec Improv	1,677,898		377,898		32,550	32,550	345,348
RE0907	Lady Bamford Plygrnd Repairs	74,929		74,929		74,929	74,929	
SP0118	Sidewalk Repairs	2,801,966		200,000	200,000		200,000	

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CITY OF SAVANNAH, GEORGIA
SCHEDULE OF PROJECTS FUNDED WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2023

PROJECT NUMBER		Total Estimated Cost to be Funded from All Sources	Original Sales Tax Funding per Referendum Resolution	Current Estimated Cost to be Funded by Sales Tax	Sales Tax Funded Expenditures			Remaining Balance
					PRIOR YEARS	CURRENT YEAR	TOTAL	
SPLOST 2014-2020 FUND:								
SP0219	New Sidewalk Installs	149,313		70,644	70,644		70,644	
SP0419	Liberty Wheaton Bike Lane	585,000		300,000	20,158		20,158	279,842
SP0421	Atlantic Park Improvements	172,290		172,290	116,375		116,375	55,915
SP0422	Cedar Street Improvements	35,056		35,056	35,056		35,056	
SP0423	Sylvan Terrace ROW Improvements	103,514		103,514	103,514		103,514	
SP0516	Mercy Blvd Sidewalk Install	42,054		42,054	42,054		42,054	
SP0517	Latimore St Park Sidewalk Improvements	47,660		47,660	47,660		47,660	
SP0519	Bridge Rehabilitation	1,200,000		500,000	18,340		18,340	481,660
SP0611	Police Memorial Sidewalk Replacement	619,845		619,845	619,845		619,845	
SP0720	Wheelchair Access Ramps	409,144		9,144	9,144		9,144	
SQ0101	Riverwalk Extension at Marriot	5,836,000		1,536,000	1,536,000		1,536,000	
SQ0102	Victory Drive Corridor Impr	1,000,000		1,000,000	653,104	501	653,605	346,395
SQ0103	Factors Walk Wall Restoration	712,053		600,000	600,000		600,000	
SQ0418	Washington Ave Median Improve	25,525		25,525	25,525		25,525	
SQ0706	Square Lighting & Electric Upgrade	100,000		100,000	55,526	5,256	60,782	39,218
SQ0707	Yamacraw Square Improvements	109,503		109,503	109,503		109,503	
TE0216	Habersham & Kensington Speed	208,782		200,000	200,000		200,000	
TE0309	Derenne Ave Traffic Anl	19,988,599		11,800,000				11,800,000
TE0310	President St Imprvmnts	35,282,226		5,000,000	5,000,000		5,000,000	
TE0614	Benton Blvd Widening	5,635,880		1,200,000	1,896		1,896	1,198,104
TE0717	Stiles Ave Phase II	209,139		40,000	14,641	3,750	18,391	21,609
	Public Safety Vehicles	1,384,212		1,384,212	1,384,212		1,384,212	
TOTALS SPLOST 2014-2020 FUND		\$ 476,209,721	\$ 190,000,000	\$ 229,610,773	\$ 189,610,492	\$ 6,189,025	\$ 195,799,517	\$ 33,811,256

NOTE: (1) This schedule lists projects that are funded by special purpose sales tax revenue. Projects may have additional funding sources.
(2) The Total Estimated Cost to be Funded From All Sources reported on this schedule is different than the amounts reported on the prior year's schedule.
(3) The Current Estimated Cost to be Funded by Sales Tax reported on this schedule is different than the amounts reported on the prior year's schedule.

This schedule is continued from the previous page.

NOTE: (1) This schedule lists projects that are funded by special purpose sales tax revenue. Projects may have additional funding sources.
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This schedule is continued from the previous page.

**CITY OF SAVANNAH, GEORGIA
SCHEDULE OF HOTEL/MOTEL TAX
FOR THE YEAR ENDED DECEMBER 31, 2023**

Through August 31, 2023, in accordance with O.C.G.A. 48-13-51(a) 3.2, the City of Savannah levied a 6% tax on hotel/motel lodging and disbursed collected funds to the Convention and Visitors Bureau, Savannah Civic Center and to the Georgia International Trade Center.

Beginning September 1, 2023, in accordance with O.C.G.A. 48-13-51(b), the City of Savannah levied an 8% tax on hotel/motel lodging and disbursed collected funds to the Convention and Visitors Bureau and the Georgia International Trade Center.

This schedule provides information on the amount of Hotel/Motel tax cash receipts and the amount of such receipts which were disbursed or contractually committed to be disbursed to the Convention and Visitors Bureau the Georgia International Trade Center and the Savannah Civic Center.

	<u>Amount</u>	<u>Amount as a Percentage of Revenue</u>
Hotel/Motel tax collected at 6%	\$ 24,125,400	
Expenditures made to:		
Convention and Visitors Bureau	\$ 8,040,996	33.33%
Georgia International Trade Center	\$ 3,114,885	12.91%
Savannah Civic Center	\$ 906,819	3.76%

	<u>Amount</u>	<u>Amount as a Percentage of Revenue</u>
Hotel/Motel tax collected at 8%	\$ 14,975,927	
Expenditures made to:		
Convention and Visitors Bureau	\$ 5,061,863	33.80%
Georgia International Trade Center	\$ 2,096,630	14.00%

CITY OF SAVANNAH, GEORGIA
SCHEDULE OF REVENUES AND EXPENDITURES/EXPENSES - RENTAL MOTOR VEHICLE TAX
FOR THE YEAR ENDED DECEMBER 31, 2023

During 2023, the City collected rental motor vehicle excise tax as authorized in O.C.G.A. 48-13-93.

	<u>Amount</u>	<u>Amount as a Percentage of Revenue</u>
Rental motor vehicle tax	\$ 3,202,761	
Transfers made to:		
Civic Center Fund	\$ 3,202,761	100.00%

The City of Savannah uses this revenue to pay for debt service related to the City's arena located on Gwinnett Street.





STATISTICAL SECTION

STATISTICAL SECTION

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

STATISTICAL SECTION

This part of the City of Savannah's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Pages
Financial Trends	145-149
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
Revenue Capacity	150-153
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	154-158
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	159-160
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
Operating Information	161-168
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	

City of Savannah, Georgia
Net Position By Component,
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 577,032	\$ 582,292	\$ 596,139	\$ 615,738	\$ 637,819	\$ 646,366	\$ 674,725	\$ 776,053	\$ 833,917	\$ 882,150
Restricted	147,790	170,564	185,145	214,481	234,076	239,491	245,165	155,107	170,143	217,514
Unrestricted	51,512	(11,427)	(11,818)	(14,335)	2,416	35,885	42,172	110,927	165,653	160,492
Total governmental activities net position	<u>\$ 776,334</u>	<u>\$ 741,429</u>	<u>\$ 769,466</u>	<u>\$ 815,884</u>	<u>\$ 874,311</u>	<u>\$ 921,742</u>	<u>\$ 962,062</u>	<u>\$ 1,042,087</u>	<u>\$ 1,169,713</u>	<u>\$ 1,260,156</u>
Business-type activities										
Net investment in capital assets	\$ 294,940	\$ 316,149	\$ 318,418	\$ 329,224	\$ 391,907	\$ 414,570	\$ 440,312	\$ 500,499	\$ 536,490	\$ 560,963
Restricted	2,367	2,370	3,870	3,212	3,267	3,345	3,345	3,327	1,895	6,104
Unrestricted	131,454	110,391	120,280	139,613	162,564	177,143	177,955	137,700	155,109	160,232
Total business-type activities net position	<u>\$ 428,761</u>	<u>\$ 428,910</u>	<u>\$ 442,568</u>	<u>\$ 472,049</u>	<u>\$ 557,738</u>	<u>\$ 595,058</u>	<u>\$ 621,612</u>	<u>\$ 641,526</u>	<u>\$ 693,494</u>	<u>\$ 727,299</u>
Primary government										
Net investment in capital assets	\$ 871,972	\$ 898,441	\$ 914,557	\$ 944,962	\$ 1,029,726	\$ 1,060,936	\$ 1,115,037	\$ 1,276,552	\$ 1,370,407	\$ 1,443,113
Restricted	150,157	172,934	189,015	217,693	237,343	242,836	248,510	158,434	172,038	223,618
Unrestricted	182,966	98,964	108,462	125,278	164,980	213,028	220,127	248,627	320,762	320,724
Total primary government net position	<u>\$ 1,205,095</u>	<u>\$ 1,170,339</u>	<u>\$ 1,212,034</u>	<u>\$ 1,287,933</u>	<u>\$ 1,432,049</u>	<u>\$ 1,516,800</u>	<u>\$ 1,583,674</u>	<u>\$ 1,683,613</u>	<u>\$ 1,863,207</u>	<u>\$ 1,987,455</u>

City of Savannah, Georgia
Changes in Net Position,
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

Expenses	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
Governance and strategic services	\$ 4,624	\$ 14,722	\$ 5,237	\$ 5,440	\$ 5,606	\$ 6,576	\$ 7,803	\$ 5,286	\$ 5,942	\$ 6,861
Municipal Services	4,196	4,065	3,517	2,728	9,229	12,843	14,738	14,169	14,048	23,268
Infrastructure and Development	41,996	42,305	44,175	42,861	50,553	53,307	52,948	81,835	64,831	73,638
Government Operations									3,713	5,500
Police	65,091	67,028	75,375	74,032	65,473	60,974	62,493	53,007	51,071	71,739
Recorder's court	2,234	2,082	2,154	2,092	2,216	2,488	2,567	2,119	1,929	2,736
Fire	26,316	30,331	30,442	30,214	32,685	34,933	36,198	31,587	35,019	42,874
Parks and Recreation	22,197	22,202	24,130	24,334	10,816	13,975	11,914	10,060	9,651	16,481
Tourism enhancement	10,487	11,314	11,884	12,690	11,694	12,448	7,863	15,132	18,729	22,179
Public Development	1,457	1,704	1,589	1,370	1,277					
Community Services	6,256	6,200	7,238	5,538	7,520	16,498	13,232	13,380	15,750	14,090
Grant program and administration	4,201	5,764	19,423	17,536	9,722	8,279	2,364	6,662	5,750	6,912
Community development program and administration	8,906	8,572	8,959	9,832	9,281	14,204	8,829	9,882	21,129	12,758
Interest on long-term debt	763	1,036	1,332	1,415	1,906	1,679	1,765	2,157	2,137	2,088
Interest on capital leases									210	348
Total governmental activities expenses	198,724	217,325	235,455	230,082	217,978	238,204	222,714	245,276	249,909	301,472
Business-type activities:										
Water and sewer	54,257	56,949	56,962	58,462	59,401	65,639	64,538	71,621	69,757	78,716
Sanitation	22,837	22,895	24,814	26,029	16,599	26,032	25,822	24,863	34,965	38,036
Parking facilities	10,702	11,218	11,752	12,992	14,533	16,583	14,977	16,558	18,933	18,925
Civic center	3,820	3,577	3,812	3,546	3,764	5,053	5,394	4,104	4,528	5,424
Golf course	68	165	218	212	224	234	249	267	326	375
Total business-type activities expenses	91,684	94,804	97,558	101,241	94,521	113,541	110,980	117,413	128,509	141,476
Total primary government expenses	\$ 290,408	\$ 312,129	\$ 333,013	\$ 331,323	\$ 312,499	\$ 351,745	\$ 333,694	\$ 362,689	\$ 378,418	\$ 442,948
Program Revenues										
Governmental activities:										
Charges for services:										
Municipal Services	\$ 2,760	\$ 2,821	\$ 2,325	\$ 2,776	\$ 3,798	\$ 3,985	\$ 3,814	\$ 4,087	\$ 4,425	\$ 4,613
Infrastructure and Development	655	1,034	1,327	1,358	817	1,607	4,026	992	1,209	2,382
Police	25,185	26,212	23,006	22,011	13,445	3,636	2,462	2,286	2,260	4,347
Recorder's court	3,201	1,901	1,940	2,387	3,407	3,495	2,728	3,537	2,673	1,933
Fire	677	409	425	504	426	547	519	516	551	675
Parks and Recreation	783	1,170	1,004	1,267	1,283	1,189	641	969	1,410	1,392
Tourism enhancement	1,281	1,367	1,450	1,795	1,789	1,821	1,166	1,695	1,972	2,294
Community Services	3,110	3,735	3,741	3,383	4,369	5,039	3,730	5,208	6,661	7,540
Community development program and administration	3,491	2,836	1,511	2,047	1,368	1,941	1,948	342	6,941	1,165
Operating grants and contributions	8,223	8,935	13,875	31,907	18,471	14,801	14,269	40,903	45,923	15,877
Capital grants and contributions	36,053	41,270	40,303	42,034	46,549	52,453	46,643	49,039	55,627	66,032
Total governmental activities program revenues	85,419	91,690	90,907	111,469	95,722	90,514	81,946	109,574	129,652	108,250
Business-type activities:										
Charges for services:										
Water and sewer	67,754	66,508	68,474	71,165	72,187	81,994	80,131	79,242	91,627	100,442
Sanitation	26,901	26,674	28,896	29,338	28,272	30,169	30,715	30,285	37,385	38,195
Parking facilities	12,331	12,965	13,180	13,924	17,567	19,825	14,999	19,742	19,687	20,343
Civic center	1,509	1,946	1,530	1,844	1,371	1,539	1,061	792	1,927	2,239
Golf course									137	101
Resource recovery										
Operating grants and contributions	54	73	70	64	67	64	72			
Capital grants and contributions	4,685	3,474	4,114	3,106	52,539	4,755	6,601	3,668	8,623	11,590
Total business-type activities program revenues	113,234	111,640	116,264	119,441	172,003	138,346	133,579	133,729	159,386	172,910
Total primary government program revenues	\$ 198,653	\$ 203,330	\$ 207,171	\$ 230,910	\$ 267,725	\$ 228,860	\$ 215,525	\$ 243,303	\$ 289,038	\$ 281,160
Net (expense)/revenue										
Governmental activities	\$ (113,305)	\$ (125,635)	\$ (144,548)	\$ (118,613)	\$ (122,256)	\$ (147,690)	\$ (140,768)	\$ (135,702)	\$ (120,257)	\$ (193,222)
Business-type activities	21,550	16,836	18,706	18,200	77,482	24,805	22,599	16,316	30,877	31,434
Total primary government net expense	\$ (91,755)	\$ (108,799)	\$ (125,842)	\$ (100,413)	\$ (44,774)	\$ (122,885)	\$ (118,169)	\$ (119,386)	\$ (89,380)	\$ (161,788)

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City of Savannah, Georgia
Changes in Net Position,
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 62,590	\$ 64,604	\$ 67,569	\$ 70,368	\$ 78,573	\$ 78,918	\$ 79,722	\$ 84,431	\$ 92,751	\$ 99,009
Intangible, transfer and franchise taxes	19,369	20,069	20,671	20,043	20,893	21,696	21,536	22,626	24,344	25,194
General sales taxes	37,198	37,841	37,787	40,547	43,801	46,835	45,435	55,571	66,266	66,531
Selective sales taxes	22,752	25,055	26,461	28,049	29,451	30,739	20,018	37,987	47,097	50,715
Business taxes	8,047	8,601	9,253	9,913	10,606	11,227	11,110	11,357	12,053	13,107
Penalties and interest on delinquent taxes	920	785	796	447	734	760	655	934	573	622
Grants and contributions not restricted to specific programs	1,075	1,675	1,352	1,736	2,018	1,815	2,367	2,958	2,391	6,324
Investment earnings, unrestricted	69	73	249	794	1,973	3,135	937	74	3,502	12,025
Gain on sale of capital assets	659	1,376	1,847	579	515	5,986	1,409	923	1,145	1,384
Miscellaneous	598	1,148	692	2,096	501	1,325	179	1,817	1,287	1,577
Contributions to cemetery perpetual care	288									
Transfers	(3,213)	(1,417)	5,908	(9,540)	(6,173)	(7,316)	(2,281)	(2,950)	(3,527)	7,177
Total governmental activities	<u>150,352</u>	<u>159,810</u>	<u>172,585</u>	<u>165,032</u>	<u>182,892</u>	<u>195,120</u>	<u>181,087</u>	<u>215,728</u>	<u>247,882</u>	<u>283,665</u>
Business-type activities:										
Investment earnings, unrestricted	148	360	1,198	1,198	2,801	4,191	1,136	73	2,631	8,220
Gain on sale of capital assets	(2)								12,812	
Miscellaneous	416	500	543	543	756	1,008	539	574	2,121	1,327
Transfers	1,417	(5,908)	9,540	9,540	6,173	7,316	2,281	2,950	3,528	(7,177)
Total business-type activities	<u>1,979</u>	<u>(5,048)</u>	<u>11,281</u>	<u>11,281</u>	<u>9,730</u>	<u>12,515</u>	<u>3,956</u>	<u>3,597</u>	<u>21,092</u>	<u>2,370</u>
Total primary government	<u>\$ 152,331</u>	<u>\$ 154,762</u>	<u>\$ 183,866</u>	<u>\$ 176,313</u>	<u>\$ 192,622</u>	<u>\$ 207,635</u>	<u>\$ 185,043</u>	<u>\$ 219,325</u>	<u>\$ 268,974</u>	<u>\$ 286,035</u>
Change in Net Position										
Governmental activities	\$ 24,717	\$ 15,262	\$ 28,037	\$ 46,419	\$ 60,636	\$ 47,430	\$ 181,087	\$ 80,026	\$ 127,625	\$ 90,443
Business-type activities	20,564	20,685	13,658	29,481	87,213	37,320	3,956	19,913	51,969	33,804
Total primary government	<u>\$ 45,281</u>	<u>\$ 35,947</u>	<u>\$ 41,695</u>	<u>\$ 75,900</u>	<u>\$ 147,849</u>	<u>\$ 84,750</u>	<u>\$ 185,043</u>	<u>\$ 99,939</u>	<u>\$ 179,594</u>	<u>\$ 124,247</u>

City of Savannah, Georgia
Fund Balances of Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Fund										
Committed	\$ 2,275	\$ 2,904	\$ 2,613	\$ 3,908	\$ 3,758	\$ 4,566	\$ 3,435	\$ 1,739	\$ 3,615	\$ 3,828
Unassigned	<u>32,510</u>	<u>32,566</u>	<u>34,096</u>	<u>35,508</u>	<u>37,945</u>	<u>40,928</u>	<u>42,976</u>	<u>47,154</u>	<u>49,360</u>	<u>53,888</u>
Total general fund	<u><u>\$ 34,785</u></u>	<u><u>\$ 35,470</u></u>	<u><u>\$ 36,709</u></u>	<u><u>\$ 39,416</u></u>	<u><u>\$ 41,703</u></u>	<u><u>\$ 45,494</u></u>	<u><u>\$ 46,411</u></u>	<u><u>\$ 48,893</u></u>	<u><u>\$ 52,975</u></u>	<u><u>\$ 57,716</u></u>
 All other governmental funds										
Nonspendable, reported in										
Special revenue funds	\$ 5,829	\$ 6,073	\$ 6,308	\$ 6,615	\$ 6,883	\$ 7,200	\$ 7,530	\$ 7,972	\$ 8,460	\$ 8,812
Restricted, reported in										
Special revenue funds	4,303	3,423	2,745	2,471	2,160	2,180	2,047	3,076	3,309	2,904
Capital projects funds	<u>112,837</u>	<u>136,102</u>	<u>161,398</u>	<u>181,015</u>	<u>198,726</u>	<u>208,736</u>	<u>213,790</u>	<u>123,134</u>	<u>132,086</u>	<u>167,712</u>
Committed, reported in										
Special revenue funds								1,378	1,891	1,938
Capital projects funds	36,981	43,032	32,348	35,728	48,236	67,730	56,272	99,914	138,541	156,236
Unassigned										
Special revenue funds				(4,640)	(6,262)	(6,323)	(1,483)	(36)		
Total all other governmental funds	<u><u>\$ 159,950</u></u>	<u><u>\$ 188,630</u></u>	<u><u>\$ 202,799</u></u>	<u><u>\$ 221,189</u></u>	<u><u>\$ 249,743</u></u>	<u><u>\$ 279,523</u></u>	<u><u>\$ 278,156</u></u>	<u><u>\$ 235,438</u></u>	<u><u>\$ 284,287</u></u>	<u><u>\$ 337,602</u></u>

City of Savannah, Georgia
Changes in Fund Balances of Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

Revenues	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Taxes	\$ 151,103	\$ 158,682	\$ 162,167	\$ 168,453	\$ 184,247	\$ 190,828	\$ 177,367	\$ 213,710	\$ 243,822	\$ 253,357
Licenses and permits	4,598	5,245	5,283	4,956	6,401	7,209	5,835	7,149	8,785	9,670
Intergovernmental	43,333	49,105	49,803	64,234	62,488	58,007	60,724	87,873	91,648	71,991
Charges for services	31,938	30,849	26,556	26,431	14,233	7,950	6,829	6,982	11,306	9,813
Fines	2,753	2,496	2,666	3,040	3,860	3,999	3,094	3,928	2,937	4,370
Investment earnings	668	684	1,352	2,191	4,803	6,204	1,998	310	4,630	15,891
Special assessments										
Miscellaneous	5,991	7,821	8,078	9,938	8,551	10,285	11,726	10,591	10,390	10,533
Total revenues	<u>240,384</u>	<u>254,882</u>	<u>255,905</u>	<u>279,243</u>	<u>284,583</u>	<u>284,482</u>	<u>267,573</u>	<u>330,543</u>	<u>373,518</u>	<u>375,625</u>
Expenditures										
Governance and strategic services	4,162	14,399	4,760	5,341	5,535	6,229	7,666	5,766	6,535	7,792
Municipal services	7,847	8,011	7,963	7,429	15,100	18,074	20,586	21,145	20,537	26,133
Governmental Operations									3,713	4,094
Infrastructure and development	29,127	29,083	30,289	29,225	37,448	38,985	39,986	68,750	53,390	54,646
Police	66,883	69,395	74,037	74,080	70,100	57,545	62,166	59,034	62,966	63,876
Recorder's court	2,311	2,188	2,151	2,155	2,385	2,444	2,781	2,418	2,452	2,841
Fire	26,701	30,801	29,388	29,682	33,525	33,047	35,140	34,168	36,384	38,515
Parks and recreation	20,907	21,462	21,816	22,523	9,478	10,285	9,524	10,086	11,677	11,865
Tourism enhancement	10,494	11,333	11,886	12,695	11,715	12,453	7,871	15,148	18,771	21,543
Social and cultural	1,457	1,704	1,590	1,370	1,277					
Community services	7,474	7,683	8,260	6,709	9,007	17,312	12,967	14,354	16,748	12,755
Grant program and administration	4,244	5,827	19,392	17,611	9,867	8,340	2,527	11,838	5,792	6,419
Community development program and administration	7,678	7,229	7,525	6,304	7,808	8,437	7,555	8,513	19,647	10,728
Capital outlay	20,209	34,087	33,477	36,456	48,113	46,611	52,566	145,867	56,354	54,832
Debt service										
Principal	13,180	2,740	3,565	3,780	3,870	1,835	3,400	4,335	6,123	6,577
Interest	933	849	1,449	1,491	1,571	2,290	1,974	2,637	2,864	2,829
Bond issuance costs	174	402	127	124	349	76		589	98	62
Total expenditures	<u>223,781</u>	<u>247,193</u>	<u>257,675</u>	<u>256,975</u>	<u>267,148</u>	<u>263,963</u>	<u>266,709</u>	<u>404,648</u>	<u>324,051</u>	<u>325,507</u>
Excess of revenues over (under) expenditures	<u>27,535</u>	<u>16,603</u>	<u>7,689</u>	<u>(1,770)</u>	<u>17,435</u>	<u>20,519</u>	<u>864</u>	<u>(74,105)</u>	<u>49,467</u>	<u>50,118</u>
Other financing sources (uses)										
Transfers in	23,757	32,642	30,701	28,299	35,706	31,612	27,415	110,927	151,893	80,385
Transfers out	(26,157)	(31,368)	(24,889)	(38,122)	(42,083)	(33,848)	(29,529)	(108,994)	(155,346)	(77,833)
Debt issuance proceeds	9,970	19,950	10,000	8,585	16,095	8,440		26,720	6,222	5,081
Payment to fiscal agent						(8,270)				
Premium on bond debt	738	452			716			4,402		
Proceeds from the sale of capital assets			1,367	67	2,972	15,118	801	814	694	304
Total other financing sources (uses)	<u>8,308</u>	<u>21,676</u>	<u>17,179</u>	<u>(1,171)</u>	<u>13,406</u>	<u>13,052</u>	<u>(1,313)</u>	<u>33,869</u>	<u>3,463</u>	<u>7,937</u>
Net change in fund balances	<u>\$ 35,843</u>	<u>\$ 38,279</u>	<u>\$ 24,868</u>	<u>\$ (2,941)</u>	<u>\$ 30,841</u>	<u>\$ 33,571</u>	<u>\$ (449)</u>	<u>\$ (40,236)</u>	<u>\$ 52,930</u>	<u>\$ 58,055</u>
Debt service as a percentage of noncapital expenditures	6.9%	1.7%	2.2%	2.4%	2.5%	1.9%	2.5%	2.7%	3.4%	3.5%

City of Savannah, Georgia
Assessed Value and Estimated Actual Value of Taxable Property,
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year Ended December 31	Real Property		Personal Property		Utilities & Other Property		Total		Total Direct Tax Rate
	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value	
2014	\$ 3,828,096	\$ 9,570,239	\$ 827,087	\$ 2,067,718	\$ 96,290	\$ 240,725	\$ 4,751,473	\$ 11,878,683	12.48
2015	4,191,749	10,479,373	802,164	2,005,410	104,102	260,255	5,098,015	12,745,038	12.48
2016	4,239,601	10,599,003	771,703	1,929,258	110,151	275,378	5,121,455	12,803,638	12.48
2017	4,465,495	11,163,738	809,379	2,023,448	129,634	324,085	5,404,508	13,511,270	12.48
2018	4,736,526	11,841,315	761,653	1,904,133	142,749	356,873	5,640,928	14,102,320	13.40
2019	4,983,275	12,458,187	834,726	2,086,814	150,804	377,010	5,968,804	14,922,011	12.86
2020	5,347,542	13,368,854	635,593	1,588,982	159,681	399,202	6,142,815	15,357,038	12.74
2021	5,642,148	14,105,370	736,648	1,841,619	167,135	417,838	6,545,931	16,364,827	12.74
2022	6,478,714	16,196,786	729,980	1,824,951	160,009	400,023	7,368,704	18,421,760	12.20
2023	7,317,455	18,293,638	806,767	2,016,918	175,251	438,128	8,299,473	20,748,683	12.20

Source: Chatham County Tax Assessor's Office.

Note: Property in the county is reassessed annually. The county assesses property at 40% of estimated true value for all types of real and personal property. Estimated true value is calculated by dividing assessed value by 40%. Tax rates are per \$1,000 of assessed value.

City of Savannah, Georgia
Direct and Overlapping¹ Property Tax Rates,
Last Ten Fiscal Years

Fiscal Year	City of Savannah	City of Savannah Special District²	Schools	County	Chatham Area Transit Authority	State	Total Direct & Overlapping Rates
2014	12.480	0.200	15.881	11.543	1.000	0.100	41.204
2015	12.480	0.200	16.631	11.543	1.000	0.050	41.904
2016	12.480	0.200	16.631	11.543	1.000	0.000	41.854
2017	12.480	0.200	16.631	11.543	1.150	0.000	42.004
2018	13.400	0.200	18.881	11.543	1.150	0.000	45.174
2019	12.856	0.200	18.881	11.543	1.150	0.000	44.630
2020	12.739	0.200	18.881	11.543	1.150	0.000	44.513
2021	12.739	0.200	18.131	11.543	1.150	0.000	43.763
2022	12.200	0.200	17.631	10.518	1.056	0.000	41.605
2023	12.200	0.200	17.631	10.518	1.056	0.000	41.605

Source: Chatham County Tax Assessors Office.

¹ Overlapping rates are those of local and county governments that apply to property owners within the City of Savannah. Not all overlapping rates apply to all City of Savannah property owners (e.g., the rates for the special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district).

² In 2003, the City of Savannah created special district called the "Water Transportation District." Only properties located within this district are subject to this millage levy.

**City of Savannah, Georgia
Principal Property Taxpayers,
Current Year and Nine Years Ago**

Taxpayer	Type of Business	2023			2014		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Georgia Power Company	Electric utility	\$ 96,481,856	1	1.16%	\$ 50,824,401	1	1.07%
Savannah Health Services LLC	Healthcare	59,200,000	2	0.71%			
International Paper Company	Cardboard box manufacturer	46,279,644	3	0.56%	29,517,958	5	0.62%
Dollar Tree Stores Inc	Distribution Center	42,138,536	4	0.51%	19,373,997	8	0.41%
Rolls Royce North America	Aerospace parts manufacturer	41,537,095	5	0.50%			
Memorial Health Hospital	Hospital	36,915,696	6	0.44%			
Exeter 380 Fort Argyle, L.P.	Industrial warehouse	32,219,440	7	0.39%			
HH Savannah LLC	Hyatt hotel	31,245,520	8	0.38%	25,733,144	7	0.54%
Columbia Properties Savannah	Marriott hotel	30,400,000	9	0.37%	28,720,000	6	0.60%
Oglethorpe Mall LLC	Retail shopping mall	28,686,116	10	0.35%	31,691,398	2	0.67%
Home Depot	Distribution Center				29,899,234	3	0.63%
Gulfstream Aerospace Corporation	Airplane manufacturer				29,778,411	4	0.63%
CSH Savannah Owner, LLC	Westin hotel				18,976,520	9	0.40%
Oglethorpe Associates	Hampton Inn and Suites				16,426,760	10	0.35%
Totals		\$ 445,103,903		5.37%	\$ 280,941,823		5.92%

Source: Chatham County Tax Assessors Office

**City of Savannah, Georgia
Property Tax Levies and Collections,
Last Ten Fiscal Years**

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year¹	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percent of Levy
2014	\$ 58,485,025	\$ 55,461,575	94.8%	\$ 2,923,765	\$ 58,385,340	99.8%
2015	64,065,372	61,412,883	95.9%	2,558,505	63,971,388	99.9%
2016	62,181,988	58,925,636	94.8%	3,137,954	62,063,590	99.8%
2017	65,196,277	61,187,224	93.9%	3,812,768	64,999,992	99.7%
2018	72,090,925	68,199,144	94.6%	3,591,927	71,791,071	99.6%
2019	74,414,549	70,990,632	95.4%	3,052,085	74,042,717	99.5%
2020	75,722,588	71,447,125	94.4%	3,784,718	75,231,843	99.4%
2021	78,462,635	74,908,954	95.5%	3,160,284	78,069,238	99.5%
2022	88,710,439	85,155,210	96.0%	2,778,223	87,933,433	99.1%
2023	93,073,929	86,972,707	93.4%		86,972,707	93.4%

Source: City of Savannah.

¹ Includes:

- Real Property
- Industrial Area
- Personal Property
- Utility
- Vehicles
- Mobile Home Taxes

Note: The Levy Year is from January 1 to December 31. Real property is billed in two installments - April and September. Personal property is billed annually with payments due in November.

**City of Savannah, Georgia
Ratios of Outstanding Debt by Type,
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities					Business -Type Activities					Civic Center Contractual Obligations	Total Primary Government	Percentage of Household Income	Per Capita
	General Obligation Bonds	Contractual Obligations	Long-term Notes	Leases	Subscriptions	Water & Sewer Bonds	Water & Sewer Notes	Sanitation Contractual Obligations	Parking Contractual Obligations	Parking Leases				
2014		\$ 26,100,429	\$ 600,000			\$ 20,435,248	\$ 23,816,330	\$ 15,075,550	\$ 30,000,024		\$ 500,843	\$ 116,528,424	2.1%	\$ 855
2015		43,778,917	500,000			17,196,559	21,188,415	12,306,356	30,096,427			125,066,674	2.2%	918
2016	\$ 2,000,000	48,212,484	400,000			33,648,038		9,275,620	61,774,476			155,310,618	2.6%	1,140
2017	4,000,000	51,017,031	300,000			29,994,518	3,358,710	6,217,191	60,483,228			155,370,678	2.5%	1,140
2018	6,000,000	61,958,984	200,000			27,379,141	16,867,540	14,211,741	89,764,478			216,381,884	3.3%	1,588
2019	6,000,000	60,062,094	100,000			24,633,695	18,749,335	11,085,000	98,024,726		45,740,797	264,395,647	4.1%	1,940
2020	5,685,000	56,911,013				21,890,524	19,350,610	10,115,000	105,124,030		45,005,216	264,081,393	3.8%	1,938
2021	4,975,000	83,911,559		\$ 1,297,564		19,104,764	18,621,375	9,120,000	103,559,617		44,402,356	284,992,235	3.4%	1,928
2022	3,875,000	85,769,576		7,758,309	\$ 428,166	16,841,454	17,737,994	8,095,000	99,873,980	\$ 4,197,527	43,784,908	288,361,914	3.4%	1,951
2023	2,755,000	84,000,319		12,328,375	202,596	14,521,908	16,845,471	7,040,000	95,484,926	3,674,283	43,152,880	280,005,758	3.3%	1,895

City of Savannah, Georgia
Ratios of General Bonded Debt Outstanding,
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Assessed Value (000)	Percentage of Actual Taxable Value of Property	Population	Per Capita
2014		\$ 4,751,473		136,286	
2015		5,098,015		136,286	
2016	\$ 2,000,000	5,121,455	0.039051%	136,286	\$ 14.68
2017	4,000,000	5,404,508	0.074012%	136,286	29.35
2018	6,000,000	5,640,929	0.106365%	136,286	44.03
2019	6,000,000	5,968,804	0.100523%	136,286	44.03
2020	5,685,000	6,142,815	0.092547%	136,286	41.71
2021	4,975,000	6,545,931	0.076001%	147,780	33.66
2022	3,875,000	7,368,704	0.052587%	147,780	26.22
2023	2,755,000	8,299,473	0.033195%	147,780	18.64

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

City of Savannah, Georgia
Direct and Overlapping Governmental Activities Debt
As of December 31, 2023

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt*
City of Savannah			
General Obligation Bonded Debt	\$ 2,755,000	100.0%	\$ 2,755,000
Leases	12,328,375	100.0%	12,328,375
Subscription Based IT Arrangements	202,596	100.0%	202,596
Contractual Obligations:			
Downtown Savannah Authority, Series 2014	1,945,996	100.0%	1,945,996
Downtown Savannah Authority, Series 2015	13,165,505	100.0%	13,165,505
Downtown Savannah Authority, Series 2016	4,990,000	100.0%	4,990,000
Downtown Savannah Authority, 2017	4,770,000	100.0%	4,770,000
Downtown Savannah Authority, 2018	12,155,648	100.0%	12,155,648
Downtown Savannah Authority, 2019	8,340,000	100.0%	8,340,000
Savannah Economic Development Authority, 2021	29,973,170	100.0%	29,973,170
Savannah Economic Development Authority, 2022	6,095,000	100.0%	6,095,000
Savannah Economic Development Authority, 2023	2,565,000	100.0%	2,565,000
Total Direct Debt	99,286,290		99,286,290
Chatham County			
Leases	720,211	43.9%	316,239
Subscription Based IT Arrangements	5,072,992	43.9%	2,227,511
Contractual Obligations:			
Downtown Savannah Authority (Union Mission), Series 2009	1,075,000	43.9%	472,024
Downtown Savannah Authority (Chatham County Projects), Series 2014	2,935,000	43.9%	1,288,736
Downtown Savannah Authority (Chatham County Projects), Series 2020	67,415,000	43.9%	29,601,402
Unamortized bond premiums	11,461,861	43.9%	5,032,814
Savannah/Chatham County School Board			
Certificates of Participation	7,664,000	43.9%	3,365,203
Leases	5,756	43.9%	2,527
Subscription Based IT Arrangements	4,631,248	43.9%	2,033,545
Overlapping Debt	100,981,068		44,340,001
Total Direct and Indirect General Obligation Supported Bonded Debt	\$ 200,267,358		\$ 143,626,291

* Note: Overlapping percentage calculated based on assessed property values.

**City of Savannah, Georgia
Legal Debt Margin Information,
Last Ten Fiscal Years**

Legal Debt Margin Calculation for Fiscal Year 2023

Assessed value 2023 Tax Roll	<u>\$ 8,299,473,423</u>
General Bonded Debt Limit, 10% of Assessed Value	\$ 829,947,342
Debt applicable to limit:	
Less: outstanding general obligation bonds	<u>2,755,000</u>
Total net debt applicable to limit	<u>2,755,000</u>
Legal debt margin	<u>\$ 827,192,342</u>

	Fiscal Year									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Debt Limit	\$ 475,147,282	\$ 509,801,454	\$ 512,145,531	\$ 540,450,752	\$ 564,092,880	\$ 596,880,428	\$ 614,281,505	\$ 654,593,083	\$ 736,870,380	\$ 829,947,342
Total net debt applicable to limit			2,000,000	4,000,000	6,000,000	6,000,000	5,685,000	4,975,000	3,875,000	2,755,000
Legal debt margin	<u>\$ 475,147,282</u>	<u>\$ 509,801,454</u>	<u>\$ 510,145,531</u>	<u>\$ 536,450,752</u>	<u>\$ 558,092,880</u>	<u>\$ 590,880,428</u>	<u>\$ 608,596,505</u>	<u>\$ 649,618,083</u>	<u>\$ 732,995,380</u>	<u>\$ 827,192,342</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.39%	0.74%	1.06%	1.01%	0.93%	0.76%	0.53%	0.33%

Note: Under state law, the City of Savannah's outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds. Excludes special assessment bonds that are not legally a part of the City's debt.

**City of Savannah, Georgia
Pledged-Revenue Coverage,
Last Ten Fiscal Years**

Fiscal Year	Water and Sewer Revenue Bonds (000)						Special Assessment Bonds			
	Gross Revenue ¹	Less: Total Expenses & Transfers Out ²	Net Available Revenue	Debt Service		Coverage	Special Assessment Collections ³	Debt Service		Coverage
				Principal	Interest			Principal	Interest	
2014	\$ 67,952	\$ 40,622	\$ 27,330	\$ 3,035	\$ 671	7.37	\$ 196	\$ -	\$ -	-
2015	66,229	42,965	23,264	5,571	923	3.58	357			
2016	68,826	43,287	25,539	5,325	894	4.11	711			
2017	72,904	44,408	28,496	3,600	757	6.54	1,465			
2018	74,751	43,840	30,911	2,585	682	9.46	1,411			
2019	85,231	49,856	35,375	2,640	818	10.23	664			
2020	81,674	46,494	35,180	2,705	669	10.43				
2021	78,911	57,746	21,164	2,750	712	6.11				
2022	94,559	49,686	44,873	3,113	651	11.92				
2023	107,422	57,624	49,798	3,183	586	13.21				

¹ Includes transfers in and excludes interest earned on construction funds.

² Excludes depreciation expense.

³ Includes special assessment principal and interest collected.

**City of Savannah, Georgia
Demographic and Economic Statistics,
Last Ten Calendar Years**

Year	Population (per 2010 census)	Personal Income (000)	Per Capita Personal Income	Chatham County Taxable Retail Sales (000,000)	Unemployment Rate (Savannah MSA)	School Enrollment
2014	136,286	\$ 5,488,510	\$ 40,272	\$ 6,526	6.1%	43,505
2015	136,286	5,707,385	41,878	6,639	4.9%	44,442
2016	136,286	5,901,048	43,299	6,629	5.0%	44,379
2017	136,286	6,197,606	45,475	7,113	4.4%	44,314
2018	136,286	6,459,684	47,398	7,684	3.6%	43,657
2019	136,286	6,581,796	47,724	8,217	2.7%	43,295
2020	136,286	6,975,663	51,366	7,971	6.0%	43,298
2021	147,780	7,639,611	56,848	9,749	2.3%	41,947
2022	147,780	8,376,466	56,682	11,626	2.9%	42,453
2023	147,780	8,460,231 *	57,249 *	12,271	2.4%	43,115

Sources: Population information provided by the U.S. Census Bureau. Personal income data provided by the Bureau of Economic Analysis. Chatham County retail sales estimated by the City of Savannah. Unemployment rates provided by the Bureau of Labor Statistics. School enrollment provided by Chatham County.

* Estimated. Data for 2023 not available at time of publishing.

**City of Savannah, Georgia
Principal Employers,
Current Year and Nine Years Ago**

Employer	2023			2014		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Gulfstream Aerospace	11,301	1	4.87%	10,126	1	7.85%
Savannah-Chatham Board of Education	5,700	2	2.46%	4,808	3	3.73%
St. Joseph's/Candler Health System	4,652	3	2.01%	3,304	5	2.56%
Memorial Health University Medical Center	3,869	4	1.67%	5,000	2	3.88%
Ga. Southern University (Armstrong Campus)	2,864	5	1.23%	602	10	0.47%
Colonial Group	2,241	6	0.97%			
City of Savannah	2,147	7	0.93%	2,795	6	2.17%
Chatham County	1,831	8	0.79%	1,578	8	1.22%
Savannah College of Art and Design	1,772	9	0.76%	1,590	7	1.23%
YMCA of the Coastal Empire	1,588	10	0.68%			
Georgia Ports Authority				988	9	0.77%
Fort Stewart/Hunter Army Airfield				4,637	4	3.59%
Total	37,965		16.36%	35,428		27.47%

Information provided by Savannah Chamber of Commerce.

City of Savannah, Georgia
Full-time Equivalent City Government Employees by Function/Program,
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Governance					20.00	20.00	20.00	20.00	21.00	19.00
General Administration	48.00	50.00	56.00	57.00						
Strategic Services					32.00	31.00	35.00	35.00	45.00	38.00
Public safety										
Police	730.00	729.00	745.00	727.13	603.38	630.62	627.44	628.62	626.62	620.62
E911	105.00	104.00	104.00	104.00	103.00	6.00				
Fire	329.00	343.00	360.00	370.00	351.00	336.00	335.00	338.00	338.00	337.00
Municipal Operations										
Chief Operating Officer					14.00	17.00	17.00	17.00	17.00	31.00
Human Resources					22.00	27.00	21.00	22.00	23.00	26.00
Financial Services	67.60	69.60	69.60	68.60	79.00	80.00	81.00	83.00	90.00	94.00
Fleet Services	41.00	41.00	41.00	42.00	43.00	43.00	43.00	43.00	43.00	45.00
Department of Information Technology	36.00	35.00	36.00	36.00	36.60	36.60	37.60	39.60	37.60	37.60
Real Estate Services	6.00	6.00	6.00	6.00	82.88	82.88	75.88	74.88	66.88	45.25
Recorder's Court	28.00	29.00	29.00	28.00	28.00	28.00	28.00	28.00	29.00	29.00
Infrastructure and Development										
Chief Infrastructure and Development					13.00	14.00	20.00	20.00	20.00	
Parking Services	74.20	74.20	74.45	90.45	62.70	64.70	64.70	64.70	66.70	62.60
Mobility Services					63.00	64.00	64.00	64.00	65.00	66.00
Development Services					49.00	48.00	43.00	43.00	44.00	55.00
Economic Development							6.00	18.00	19.00	22.00
Public Works and Water Resources	503.00	502.00	506.00	508.00	457.00	461.00	463.00	467.00	466.00	544.63
Community Services										
Chief Community Services Officer					3.00	4.00	4.00	6.00	5.00	8.00
Cultural Resources					10.00	13.50	11.50	11.50	11.50	13.50
Code Compliance					48.75	45.00	45.00	45.00	41.00	41.00
Human Services	76.25	73.25	71.25	55.25	24.00	38.00	31.00	30.12	31.13	35.63
Housing and Neighborhood Services					15.00	21.00	21.00	21.00	24.00	27.00
Parks and Recreation	281.33	283.43	290.24	301.70	118.30	129.03	125.62	124.50	124.51	119.49
Sanitation	218.00	218.00	220.00	221.00	191.00	195.00	195.00	195.00	224.00	225.00
Total	2,543.38	2,557.48	2,608.54	2,615.13	2,469.61	2,435.33	2,414.74	2,438.92	2,478.94	2,542.32

Source: City Budget Office

City of Savannah, Georgia
Operating Indicators by Function/Program,
Last Ten Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Police										
Violent crimes	859	1,065	1,063	992	966	1,205	1,233	1,130	1,249	1,226
Property crimes	7,088	7,639	7,224	6,588	5,903	5,403	4,169	4,929	5,130	4,659
Fire										
Fire calls	1,937	831	1,273	927	905	941	920	858	908	783
Dwelling fires	372	331	208	181	222	212	176	197	190	148
Rescues	163	142	217	212	148	187	186	184	237	243
Refuse Disposal										
Total system City tons	96,716	98,241	104,703	100,780	96,984	95,077	90,810	83,487	80,856	78,741
Other public works										
Traffic sign repairs	6,729	7,226	6,579	6,758	7,107	6,416	8,220	9,378	5,399	9,360
Pothole repairs	578	853	1,739	4,003	6,677	1,079	2,936	4,478	1,579	1,811
Storm drain inlets cleaned	5,711	4,563	5,747	2,493	2,894	2,363	5,069	1,060	1,299	1,121
Leisure services										
Youth baseball participants	1,200	1,354	803	626	410	476		55	566	680
Youth football participants	1,234	481	757	967	720	1,107		91	1,145	1,170
Neighborhood center participants	3,820	3,864	3,830	4,250	4,095	4,816	86,000	1,890	4,133	4,230
Water										
Average daily ground water production (MGD)	21.71	20.42	22.44	21.06	21.27	21.51	19.29	18.48	19.43	18.69
Average daily surface water production (MGD)	29.89	30.71	34.18	31.93	37.91	33.63	37.28	42.58	43.39	46.45
Sewer										
Average flow (MGD)	26.49	27.53	27.38	25.30	24.75	24.99	25.45	24.88	23.69	23.46
Public Development										
Valuation of new commercial building permits issued (millions)	\$112	\$223	\$317	\$154	\$357	\$427	\$309	\$298	\$603	\$515
Valuation of new residential building permits issued (millions)	\$74	\$79	\$71	\$90	\$84	\$70	\$64	\$123	\$99	\$164

Sources: Crime data from Bureau of Justice Statistics

City of Savannah, Georgia
Capital Asset Statistics by Function/Program,
Last Ten Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Police										
Stations	5	5	5	5	4	5	5	5	5	5
Fire										
Stations	15	15	15	15	15	15	15	15	15	15
Refuse Collection										
Available landfill capacity (cubic yards)	1,345,480	1,237,861	1,102,439	946,555	805,293	680,796	574,167	1,023,304	827,554	692,114
Other public works										
Streets (miles)	690	690	690	689	684	680	693	648	648	648
Signalized intersections	258	260	264	265	269	269	269	271	277	280
Cemeteries	5	5	5	5	5	5	5	5	5	6
Leisure services										
Parks (acreage)	663	667	736	736	629	629	629	629	629	630
Playgrounds	68	68	68	68	71	71	71	69	68	69
Water										
Wells	49	49	49	49	49	47	47	47	47	47
Sewer										
Treatment capacity (MGD)	36.95	36.95	36.95	36.95	36.95	36.95	36.95	40.95	40.95	40.95
Parking facilities										
Parking garages	5	5	5	5	5	5	5	7	7	7
Civic Center										
Arenas	1	1	1	1	1	1	1	1	2	2
Meeting rooms	6	6	6	6	6	6	6	7	7	7
Theaters	1	1	1	1	1	1	1	1	1	1

Sources: Various city departments.

**CITY OF SAVANNAH, GEORGIA
WATER SYSTEM PRODUCTION AND NUMBER OF SYSTEM CUSTOMERS
LAST TEN CALENDAR YEARS**

Year	Ground Water Production		Surface Water Production		Number of Water Accounts¹	Number of Sewer Accounts¹
	Daily Average (MGD)	Peak Day (MGD)	Daily Average (MGD)	Peak Day (MGD)		
2014	21.71	31.21	29.89	39.65	93,713	91,141
2015	20.42	28.79	30.71	42.36	94,545	91,955
2016	22.44	30.75	34.18	51.11	95,228	93,302
2017	21.06	29.56	31.93	44.29	97,471	94,436
2018	21.27	31.53	37.91	47.41	98,200	95,947
2019	21.51	31.56	33.63	48.27	99,913	97,389
2020	19.29	27.21	37.28	54.82	100,688	98,450
2021	18.48	24.55	42.58	52.32	102,730	100,429
2022	19.43	33.04	43.39	51.60	104,396	102,175
2023	18.69	23.11	46.45	54.41	107,040	104,697

¹ Water and Sewer account counts based on the total dwelling units served.

**CITY OF SAVANNAH, GEORGIA
SEWAGE TREATMENT PLANT FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Sewage Treatment Facility	Capacity (MGD)	Average Flow (MGD)	Maximum Dry Weather Daily Flow (MGD)	Maximum Wet Weather Daily Flow (MGD)	Year of Last Upgrade	Treatment Process
President Street Plant	27.00	15.39	17.27	20.52	2021	Primary treatment, activated sludge, clarifier, chlorinator, gravity thickener, belt press, clarifiers, chlorination, sludge disposed at landfill: 2MGD reclaim water by filtration. Dryer and pelletizer added in 2019.
Wilshire Plant	4.50	2.47	2.64	3.27	1999	Activated sludge, clarifier, gravity thickener, chlorinator, belt press, sludge disposed at landfill.
Georgetown Plant	2.45	2.18	2.42	2.57	2005	Activated sludge, clarifiers, effluent filtration, ultra-violet disinfection, belt press, sludge disposed at landfill.
Crossroads Plant	3.00	2.24	2.61	2.46	2008	Screening, grit removal, flow equalization, activated sludge clarifiers, filtration, ultra-violet disinfection, post aeration, belt press, sludge disposed at landfill.
Travis Field Plant	4.00	1.18	1.59	1.60	2022	Influent fine screen, grit removal , EQ tank ,anarobic bioreactor, anoxic bioreactor, aerobic bioreactor, swing zone, membrane bioreactor, UV disinfection. Belt press.
Total	40.95	23.46	26.53	30.42		

**CITY OF SAVANNAH, GEORGIA
WATER AND SEWER RATES
LAST TEN CALENDAR YEARS**

Year	Bi-Monthly Water Rates for Residential and Commercial Customers						Bi-Monthly Sewage Rates for Residential and Commercial Customers						Industrial Water Rate (\$ per MG)
	Inside City			Outside City			Inside City			Outside City			
	Base Charge	First 1,500 cu. ft. per 100 cu. ft.	Over 1,500 cu. ft. per 100 cu. ft.	Base Charge	First 1,500 cu. ft. per 100 cu. ft.	Over 1,500 cu. ft. per 100 cu. ft.	Base Charge	First 1,500 cu. ft. per 100 cu. ft.	Over 1,500 cu. ft. per 100 cu. ft.	Base Charge	First 1,500 cu. ft. per 100 cu. ft.	Over 1,500 cu. ft. per 100 cu. ft.	
2014	\$ 11.06	\$ 0.90	\$ 1.08	\$ 16.59	\$ 1.35	\$ 1.62	\$ 8.80	\$ 2.88	\$ 3.26	\$ 13.20	\$ 4.32	\$ 4.89	\$ 752.26
2015	11.06	0.94	1.12	16.59	1.41	1.68	8.80	3.04	3.42	13.20	4.56	5.13	735.15
2016	11.06	0.98	1.16	16.59	1.47	1.74	8.80	3.20	3.58	13.20	4.80	5.37	650.57
2017	11.06	1.03	1.21	16.59	1.54	1.81	8.80	3.37	3.75	13.20	5.05	5.62	635.24
2018	11.06	1.07	1.25	16.59	1.60	1.87	8.80	3.48	3.86	13.20	5.22	5.79	515.26
2019	11.06	1.13	1.31	16.59	1.69	1.96	8.80	3.68	4.06	13.20	5.52	6.09	536.12
2020	11.06	1.19	1.37	16.59	1.78	2.05	8.80	3.88	4.26	13.20	5.82	6.39	507.35
2021	11.06	1.19	1.37	16.59	1.78	2.05	8.80	3.88	4.26	13.20	5.82	6.39	537.17
2022	11.06	1.25	1.43	16.59	1.87	2.14	8.80	4.08	4.46	13.20	6.12	6.69	625.98
2023	11.06	1.31	1.49	16.59	1.96	2.23	8.80	4.28	4.66	13.20	6.42	6.99	674.03

**CITY OF SAVANNAH, GEORGIA
WATER AND SEWER CONNECTION FEES
EFFECTIVE FOR THE YEAR ENDED DECEMBER 31, 2023**

Meter Size¹	Meter Installation Fee (per meter)	
	Installed by Plumber	Installed by City
5/8 to 3/4 inch	\$450	\$350
1 inch	500	400
1 1/2 inch	650	550

¹Larger meters are provided by the City to licensed plumbers at various fees sufficient to cover City costs.

	Tap-in Fee per ERU²	
	Inside City	Outside City
Water Tap-in	\$600	\$900
Sewer Tap-in	400	500

²Equivalent Residential Unit which is generally equivalent to a water demand of 300 gallons per day.

Note: In addition to the above meter installation fees and tap-in fees, other surcharges are charged for new connections to the water and sewer system on a per ERU basis. The amount of the surcharge fee varies by geographic area and such fees are computed to recover the system's capital costs incurred to serve the specific area. Water impact fees vary by geographic area from zero to \$2,238 per ERU. Sewer impact fees vary by geographic area from \$345 to \$2,300 per ERU.

**CITY OF SAVANNAH, GEORGIA
MAJOR WATER AND SEWER CUSTOMERS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Ten largest residential/commercial customers of the water and sewer system:

Customer	Product/Business	2023 Customer Revenue	Percent of 2023 Water and Sewer Fund Gross Revenue
Effingham County	County government	\$ 1,947,832	1.94%
City of Pooler	Municipality	1,754,879	1.74%
Chatham County	County government	1,668,851	1.66%
City of Port Wentworth	Municipality	1,602,368	1.59%
Hospital Corp of America	Hospital	990,787	0.98%
City of Thunderbolt	Municipality	748,957	0.74%
Savannah Chatham Board of Public Education	Public school system	559,524	0.56%
Coastal Correctional Institute	State prison	544,196	0.54%
Kerry Inc.	Food producer	538,025	0.53%
Gulfstream Aerospace Corp	Airplane manufacturer	437,279	0.43%
		<u>\$ 10,792,698</u>	<u>10.72%</u>

Major industrial customers of the water system:

Customer	Product/Business	2023 Customer Revenue	Percent of 2023 Water and Sewer Fund Operating Revenue	2023 Consumption (MG)
Weyerhaeuser	Bleached pulp	\$ 3,550,830	3.53%	5,268
International Paper	Unbleached kraft products	2,874,558	2.86%	4,265
Savannah Foods	Sugar refinery	443,257	0.44%	658
		<u>\$ 6,868,645</u>	<u>6.82%</u>	<u>10,191</u>