



SAVANNAH

Economic Development Authority

SEDA Board of Directors Meeting Agenda Tuesday, May 9, 2023 10:30 AM

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|--|-----------------|
| I. Call to Order | Hinchey |
| II. Action Items | Hinchey |
| A. Approval of Minutes from February 14, 2023 Board Meeting | |
| B. Approval of Minutes from March 14, 2023 Board Meeting | |
| C. Approval of January, February, and March 2023 Financials | |
| D. Review and Approval of 2022 Audit | |
| E. Approval of Resolution for St. Andrews School to change their outstanding debt to a new index from LIBOR. | |
| III. President's Report | Tollison |
| IV. Executive Session | |
| V. Action Items | |
| VI. Comments for the Good of the Order | Hinchey |
| VII. Adjourn | Hinchey |

**** Next Scheduled Board Meeting is September 12, 2023 – No June, July, or August Board Meeting**

PROPOSED MINUTES
Savannah Economic Development Authority
Board Meeting
February 14, 2023
10:30 AM

PRESENT

Board of Directors: Audrey King, John Coleman, Joyce Roche', Kal Patel, Karen Bogans, Paul Hinchey, Kay Ford, Kevin Jackson, Steve Green, Bob James, Trey Thompson, Scott Center, Christian Demere, Reed Dulany, Ruel Joyner, Pastor Charles Roberson

SEDA Employees: Trip Tollison, Katelyn Satterthwaite, Angela Hendrix, Antwone Smoak, Jesse Dillon, Mark Sprosty, Jennifer Collins, Liz Ely, Morgan Ferguson, Erin Fraser, Chris Ahearn, Katie Schuck

Guests: Brandon Woods, Bart Gobeil, Xavier Miranda, Bill Gaglione, Jon Hart, Karen Robertson, Justin Edris, Kathryn Johnson, Will Christopher, David Paddison, Kathy Love, Maria Whitfield, Leon Davenport, Mayor Van Johnson, WTOC News

Counsel: Jon Pannell

CALL TO ORDER

Chairman Paul Hinchey called the meeting to order at 10:30 a.m. with thanking everyone for being here today. He asked Katelyn Satterthwaite if the meeting was posted, and the media notified in accordance with the Georgia Open Meetings Law. Ms. Satterthwaite responded yes. He then asked Ms. Satterthwaite if there was a quorum present to which Ms. Satterthwaite responded yes. Before we got started, Mr. Hinchey introduced the two newest SEDA board members. Pastor Charles Roberson who was appointed by Savannah City Council last week and who did the invocation at the SEDA annual meeting in January, was introduced and welcomed. Christian Demere, who was appointed by the SEDA board and who is the President/ CEO of Colonial Group was introduced and welcomed. Today is Pastor Roberson's and Christian's first SEDA Board meeting, all are glad they are here. Mr. Hinchey then asked that everyone in the room introduce themselves. Mr. Hinchey thanked Mayor Van Johnson for joining the meeting today.

ACTION ITEMS

A) Approval of Minutes from December 13, 2022

Mr. Hinchey asked if there were any comments or corrections to the proposed minutes from the November 8, 2022, Board Meeting that were sent via an email notification to the board members on Wednesday February 8, 2023. There were no comments or corrections.

MOTION was made by Kevin Jackson to approve the minutes of the November 8, 2022, Board Meeting. The motion was seconded by Trey Thompson. The board approved the minutes by unanimous vote.

B) Approval of November and December 2022 Financials

Mr. Hinchey stated that the SEDA financial statements for November and December 2022 were sent via an email notification to board members on Wednesday February 8, 2023. He then called on Mark Sprosty for comments.

The November 2022 Statement of Assets, Liabilities & Net Assets records \$14m in operating cash, a decrease of \$794k from October. South State Veterans Parkway decreased \$3.3m and the GEFA

account decreased \$466k. The market value of investments increased \$835k which is the second month in a row of gains and only third month all year. The account value at month end is \$22.8m. Deferred Costs decreased to \$701k, representing the amount of billing that has been invoiced but not yet recognized. The October 2022 Statement of Revenues & Expenses records Net Income of \$815kk. Net Ordinary Loss of \$34k is mainly due to the \$250k Film Incentive accrual in November. Non-Operating Revenue was \$849k. Year to Date (YTD) Net Ordinary Income is \$1.7m after eleven months of operations. YTD Non-Operating Loss is \$3.1m.

The December 2022 Statement of Assets, Liabilities & Net Assets records \$19.4m in Operating Cash. The increase of \$4.9m is due to collection of \$5.3m of 2023 Infrastructure Fees in December. Funds held for Veterans Parkway Interchange decreased by \$113k and Funds held for the West Chatham Water and Sewer in Bloomingdale decreased by \$13k. The market value of investments lost \$492k and ended the month at \$22.3m. Deferred Income increased to \$5.8m due to 2023 Infrastructure Fees collected as mentioned above. The December 2022 Statement of Revenues & Expenses records a \$676k Net Loss for the month. Net Ordinary Loss of \$200k is mainly due to the \$275k Film Incentive accrued in December. Non-Operating Loss of \$476k for the month is attributable to investment losses. Year to Date (YTD) Net Loss for 2022 is \$2.1m due to unprecedented YTD Non-Operating Losses totaling \$3.6m. YTD Ordinary Income totaled nearly \$1.5m and was \$1.1m over the \$3911k budget.

There were no questions or comments from the board.

MOTION was made by Joyce Roche' to approve the November and December 2022 financial statements. The motion was seconded by Karen Bogans. The board approved the financials by unanimous vote.

C. Approval of transferring \$2.5 million to Chatham County for the JDA

Mr. Hinchey called on Trip Tollison. Trip Tollison explained that the JDA shared agreement is for the extension of the gas line. The \$2.5M would be paid back by the County by 2030. County is expected to vote on the agreement on Friday Feb. 17.

There were no questions or comments from the board.

MOTION was made by Kay Ford to approve transferring \$2.5 million to Chatham County for the JDA. The motion was seconded by Kal Patel. The board approved the motion.

PRESIDENT'S REPORT

At this time, Mr. Hinchey turned the meeting over to Trip Tollison for the president's report.

Trip Tollison congratulated Kevin Jackson on his appointment to the DNR Board for Georgia.

A. Board Chair Wall Reveal

Trip Tollison presented the Board Chair Wall that was recently installed in the board room for all to see. Trip explained that it is a way for the organization to honor the past chairs and thank them for their service on the SEDA Board. The list goes back to the start of SEDA in 1925.

B. Introduction of Maria Whitfield and Workforce Study

Trip Tollison introduced Maria Whitfield, Director of Workforce for the Savannah Harbor Interstate 16 Corridor JDA. Maria shared a little bit about her background; bringing 20 years-experience in full life cycle recruitment and HR functions. Maria has immediately begun working with existing industries on hiring needs and will work closely with the consulting firm Wadley Donovan Gutshaw during the workforce study phase and manage implementation of the recommended strategic plan.

Maria has worked in Liberty, Glynn, Effingham, and Chatham counties; she is excited to be a part of the team.

C. Savannah Regional Film Commission Update

Trip Tollison called on Erin Fraser to provide an update on the Savannah Regional Film Commission. Erin shared that the Georgia Screen Entertainment Coalition is working to support the film industry by protecting Georgia's film tax credit. Productions being filmed currently in the Savannah area are a Sony Pictures upcoming new television series, an Array Filmworks feature film and AMC Studios season 8 horror series. The Menu was exclusively filmed in the Savannah area, several behind the scenes photos were shared along with a video made by Moon Rabbit Media to highlight filming here.

D. WTCSav Update - Jeanne Charbonneau's Visit

Trip Tollison provided an update from Jeanne Charbonneau's visit. Jeanne was critical in assisting the South Koreans acclimate the life in Montgomery, AL; she was asked to come here to share her knowledge. The Planning for our New South Korean Neighbors sessions were a huge success. There were 7 sessions with 774 attendees in total. Sessions were held in Bryan, Effingham, Chatham and Bulloch Counties and topics included house hunting, school enrollment, music, medical needs, language classes and much more. Photos from the sessions were shared. Trip thanked all that were able to attend.

E. GRIT Conference Recap

Trip Tollison called on Jesse Dillon to provide an update on the GRIT Conference. The GRIT conference was the last weekend in January with a total of 250 participants in attendance, 60 speakers/panelists amongst 13 different panels, 4 keynote speakers, 20 volunteers, 6 startups on stage, and 2 nationally known recording artists who performed the finale. Photos from the conference were shared.

F. Project Announcement

Trip Tollison announced that Seoyon E-Hwa has selected Chatham County. Seoyon will be located at the Savannah Chatham Manufacturing Center and will invest \$75,900,000 in Chatham County over a period of 5 years creating 740 job opportunities. Established in 1972, Seoyon E-Hwa operates 32 corporations in North America, South America, Europe, and Asia. Seoyon E-Hwa supplies door trim, headlining, seats, C/PAD, bumpers, and other parts to Hyundai Motor Group, Kia, Mercedes-Benz, Ford, Volkswagen, and more. The new manufacturing facility will produce automotive interior parts such as door trims, headlining, and tailgate trims. Production is expected to begin in October 2024. Several photos were shared from when Seoyon executives were here for a signing ceremony.

G. Hyundai Motor Group Metaplant America

Trip Tollison shared the JDA website and social media links. A JDA newsletter has been created to provide the community with updates throughout the progress of the metaplant. The video that was shared on social media to celebrate the 1-year anniversary of Hyundai's initial visit was played for all to view.

There were no further questions or comments from the board.

EXECUTIVE SESSION

Mr. Hinchey stated there was a need to go into Executive Session (to discuss real estate matters).

MOTION was made by Ruel Joyner to move into Executive Session to discuss real estate matters. The motion was seconded by Reed Dulany. The board approved the motion by unanimous vote.

MOTION was made by Kevin Jackson to move out of Executive Session. The motion was seconded by Audrey King. The board approved the motion by unanimous vote.

ACTION ITEMS

D. Approval of the Elevated Water Storage Tank Construction Project

The elevated water storage tank construction project contract was reviewed in Executive Session.

MOTION was made by Scott Center to approve the construction contract for Phoenix Fabricators and Erectors in the amount of \$5,074,000. The motion was seconded by Reed Dulany. The board approved the motion by unanimous vote.

E. Approval of Utility Site in SCMC

This was reviewed in Executive Session. Approval of utility site in Savannah Chatham Manufacturing Center to potentially be used by Georgia Power for a substation to serve SCMC and surrounding area. Vote is to approve SEDA President and CEO to negotiate with Georgia Power on a potential transaction between Georgia Power and SEDA for Georgia Powers use of the site. SEDA President and CEO is to bring transactions to SEDA Executive Committee for final approval.

MOTION was made by Scott Center to approve allowing SEDA President and CEO to negotiate a property transaction between SEDA and GA Power for a substation location in SCMC. The motion was seconded by Kay Ford. Audrey King abstained from voting. The motion was approved by the board.

NEXT MEETING

March 14, 2023, at 10:30 a.m. at SEDA

FOR THE GOOD OF THE ORDER

Mr. Hinchey reminded the board of the Oyster Roast on Feb. 23 to celebrate the accomplishments of the 2022 year for the SEDA employees.

There being no further business, the meeting was adjourned.

Respectfully submitted,

Katelyn Satterthwaite
Assistant Secretary

PROPOSED MINUTES
Savannah Economic Development Authority
Board Meeting
March 14, 2023
10:30 AM

PRESENT

Board of Directors: Audrey King, Joyce Roche', Karen Bogans, Paul Hinchey, Bob James, Scott Center, Christian Demere, Ruel Joyner, Nina Gompels, Steve Green

SEDA Employees: Trip Tollison, Katelyn Satterthwaite, Angela Hendrix, Antwone Smoak, Mark Sprosty, Jennifer Collins, Liz Ely, Morgan Ferguson, Chris Ahearn, Katie Schuck, Renee Leventis, Yvonne Wilemon, Caleb Kitchings, Leigh Ryan

Guests: Chester Ellis, Dorie Bacon, Heath Lloyd, Dan Bailey, Karen Robertson, Will Christopher, David Paddison, Melaney Crees, Dell Wright, Max Sutherland, Shawona Marshall, Brandon Tatom, Bill Munn, Gaye Reese, Ford Blanchard, Jay Melder

Counsel: Jon Pannell

CALL TO ORDER

Chairman Paul Hinchey called the meeting to order at 10:30 a.m. with thanking everyone for being here today.

Before we get started, Mr. Hinchey offered his condolences to all the SEDA staff for the loss of their fellow co-worker Erin Fraser, who passed away suddenly on March 3. Mr. Hinchey asked all to join hm in a moment of silence.

Mr. Hinchey asked Katelyn Satterthwaite if the meeting was posted, and the media notified in accordance with the Georgia Open Meetings Law. Ms. Satterthwaite responded yes. He then asked Ms. Satterthwaite if there was a quorum present to which Ms. Satterthwaite responded no. The only action item on the agenda today was the approval of minutes from the Feb. 14 meeting, which now will be approved at the next scheduled Board of Directors meeting in May. Financials were not on the agenda this month due to the Auditors being onsite this week.

Mr. Hinchey asked that everyone in the room introduce themselves.

Mr. Hinchey congratulated Ms. Joyce Roche' for being recognized in the news and Ms. Kay Ford for being named the United Way Woman of the Year.

ACTION ITEMS

A) Approval of Minutes from February 14, 2023

Due to not having a quorum present, the approval of minutes from the Feb. 14 meeting will take place at the next scheduled Board of Directors meeting in May.

PRESIDENT'S REPORT

At this time, Mr. Hinchey turned the meeting over to Trip Tollison for the president's report.

A. Introduction of Caleb Kitchings

Trip Tollison introduced Caleb Kitchings. Caleb previously worked at SEDA, had left briefly and is now back with us. Caleb will be the SEDA Project Manager for Innovation and Technology.

B. Staff Updates

Trip Tollison shared exciting news on staff promotions. Jesse Dillon has been promoted to Chief Operating Officer, Mark Sprosty to Chief Financial Officer and Angela Hendrix to Senior Vice President Marketing and Public Relations. Congratulations to all three.

C. Project Announcement

Trip Tollison announced that PHA has selected a site in Chatham County. PHA will be located at the Savannah Chatham Manufacturing Center and will produce door modules, tailgate latches and hood latches. PHA was founded in 1985 and focuses on research, development, and manufacturing in the automobile door system field. Customers include Hyundai, Kia, GM, Hyundai Mobis, Ford, BMW and more. PHA will invest \$67 million and create 402 jobs in Chatham County. There have been six HMGMA Supplier announcements to date with a total of \$1.891 billion in capital investments and 4,546 jobs. PHA announced on March 6, 2023 402 jobs and a \$67 million capital investment in Chatham County focused on door, tailgate, and hood latches. Sewon America announced on Feb. 21, 2023 740 jobs and a \$300 million capital investment in Effingham County focused on stamped body components. Seoyon E-HWA announced on Feb. 1, 2023 740 jobs and a \$76 million capital investment in Chatham County focused on door trim, headlining seats, bumpers, interior and exterior components, C/PAD. Ecoplastic Corporation announced on Jan. 5, 2023 456 jobs and a \$205 million capital investment in Bulloch County focused on exterior and interior plastic such as bumpers, consoles, trims, and plastic molds. Hyundai Mobis announced on Nov. 23, 2022 1,578 jobs and a \$926 million capital investment in Bryan County focused on power electric systems. On Nov. 7, 2022 Joon Georgia announced 630 jobs and a \$317 million capital investment in Bulloch County focused on body parts and electronics.

D. Savannah Impact Fees – Jay Melder

Trip Tollison called on Jay Melder to present on Savannah Impact Fees. Before turning it over, Trip thanked both Jay Melder and Health Lloyd for all their support and partnership. Mr. Melder thanked Trip and the SEDA Board for inviting him to the meeting. Mr. Melder shared that the state requirements were met, and the comprehensive plan for impact fees was adopted February of 2023. Mr. Melder presented a chart depicting the maximum fee amounts suggested in the methodology report, particularly discussing the fees for single family detached housing. Implementation option one would adopt a reduced maximum impact fee for a single-family house of \$3,930, a 22% reduction from the methodology report figure of \$5,038. The reduction is greatly seen in the parks and recreation public facility category. Mr. Melder presented a comparison of the maximum fee amount (\$5,038) compared to the reduced maximum fee amount proposed (\$3,930) for five years. Over the next five years the lost revenue based on the reduced maximum impact fee proposal would be \$3,653,076.00. This is not a tax, but a fee added on to the cost for developers. Any money that is not spent within five years will have to be returned. The question was asked if there was a square footage or land size limit per impact fee for the residential category. Mr. Melder advised that if the housing unit is a single family, it would be assessed as single-family housing and the fee would be the set amount of \$3,930 and not vary based on the land size or square footage for single family. The impact fees would be implemented in a three-year phase. Year one: 50% of impact fee would be implemented of \$1,966. Year two: 75% of impact fee would be implemented of \$2,948. Year three: 100% of impact fee would be implanted of \$3,931. Qualifying affordable housing may qualify for a 25% exemption from the maximum impact fees subject to available replacement funds from the City. Mr. Melder shared who the members of the Development Impact Fee Committee are; Monica Mastrianni, Melissa Phillips, Pat Shay, Dwayne Stephens, Bryan Wardlaw, Tomeca McPherson, and Jim Collins.

E. WTC Savannah Prosperity Through Trade Luncheon

Trip Tollison announced that the 2023 Prosperity Through Trade luncheon is scheduled for May 3 at the Savannah Convention Center. The keynote speaker, Andrew Busch, was the first Chief Market Intelligence Officer for the U.S. government and an economic futurist. Trip Tollison encouraged all to register and attend the luncheon. Trip Tollison announced that Antwone Smoak received a promotion to Programs and Community Development Manager. This was shared earlier in the WTC Savannah board meeting. Congratulations to Antwone.

F. Gulfstream Event Announcement

Trip Tollison shared the invite to the Gulfstream luncheon announcement scheduled for April 6. SEDA, Gulfstream Aerospace and the Savannah/Hilton Head International Airport will host a private event on Thursday, April 6 at noon celebrating the aviation industry. This is a private event that will take place on Gulfstream Road. Additional details were emailed to the board members. Trip Tollison encouraged the board members to attend if possible.

There were no further questions or comments from the board.

Chairman Chester Ellis requested the Board to go into Executive Session so that he can address property negotiations with them in a closed session. Jon Pannell confirmed with Chairman Ellis prior to making a motion to move into Executive Session that his request has to do with property negotiations, as only certain items can be discussed in closed session. As the board transitioned into executive session Ruel Joyner joined the meeting, providing a quorum.

EXECUTIVE SESSION

MOTION was made by Scott Center to move into Executive Session to discuss real estate matters. The motion was seconded by Joyce Roche'. The board approved the motion by unanimous vote.

MOTION was made by Scott Center to move out of Executive Session. The motion was seconded by Christian Demere. The board approved the motion by unanimous vote.

NEXT MEETING

Trip Tollison reminded the group that there will be no April meeting and that the next scheduled meeting is May 9, 2023, at 10:30 a.m. at SEDA.

FOR THE GOOD OF THE ORDER

There being no further business, the meeting was adjourned.

Respectfully submitted,

Katelyn Satterthwaite
Assistant Secretary

SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY
Statement of Revenues & Expenses

	Jan 23	Feb 23	Mar 23	TOTAL
Ordinary Income/Expense				
Income				
BOND FEES	20,958.27	20,955.00	20,955.00	62,868.27
FOREIGN TRADE ZONE REVENUE	18,540.00	18,540.00	18,540.00	55,620.00
INFRASTRUCTURE FEES	725,156.42	725,156.00	725,156.00	2,175,468.42
MISCELLANEOUS INCOME	1,250.00	1,832.66	1,546.10	4,628.76
RENTAL INCOME - OTHER	1,500.00	1,500.00	1,500.00	4,500.00
TRADE SERVICES INCOME	12,889.00	12,889.00	13,597.00	39,375.00
Total Income	780,293.69	780,872.66	781,294.10	2,342,460.45
Gross Profit	780,293.69	780,872.66	781,294.10	2,342,460.45
Expense				
ADMIN. OPERATING EXPENSES	390,469.82	320,744.45	357,518.84	1,068,733.11
DEPRECIATION & AMORTIZATION	60,625.78	61,934.20	61,934.21	184,494.19
ENG, ENV, MITIGATION, SURVEY, LEGAL	1,262.50	9,087.10	34,985.50	45,335.10
INTEREST EXPENSE	869.56	1,228.37	1,181.91	3,279.84
PROPERTY MAINTENANCE	5,893.41	8,607.45	8,345.25	22,846.11
SALES, MKT, PR, RES, PROJ MGT EXP.	187,063.04	94,486.68	149,943.30	431,493.02
Total Expense	646,184.11	496,088.25	613,909.01	1,756,181.37
Net Ordinary Income	134,109.58	284,784.41	167,385.09	586,279.08
Other Income/Expense				
Other Income				
NON-OPERATING REVENUE(EXPENSE)	970,013.93	-365,466.77	448,549.70	1,053,096.86
Total Other Income	970,013.93	-365,466.77	448,549.70	1,053,096.86
Net Other Income	970,013.93	-365,466.77	448,549.70	1,053,096.86
Net Income	1,104,123.51	-80,682.36	615,934.79	1,639,375.94



**Management Analysis for Board of Directors
January 2023**

The January 2023 Statement of Assets, Liabilities & Net Assets records \$21m in Operating Cash. There was an increase of \$1.9m from December due to the collection of \$2.6m of annual revenues and paying \$748k of operating expenses. Funds held for Veterans Parkway Interchange decreased by \$383k for the month and Funds held for the West Chatham Water and Sewer in Bloomingdale decreased by \$15k.

Accounts Receivable increased \$1.1m during the month to a total of \$3.6m ending balance.

The market value of investments increased \$933k and ended the month at \$23.2m.

Deferred Income increased to \$8.4m due to 2023 Infrastructure Fees invoiced at the beginning of the year.

The January 2023 Statement of Revenues & Expenses records \$1.1m Net Income. Net Ordinary Income for the month was \$134k and Non-Operating Revenue was \$970k.

SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY
Statement of Assets, Liabilities & Net Assets
As of January 31, 2023

	Jan 31, 23	Dec 31, 22	\$ Change	Jan 31, 22	\$ Change
ASSETS					
Current Assets					
Checking/Savings					
OPERATING CHECKING & MM ACCTS	21,359,813.41	19,416,197.20	1,943,616.21	25,575,613.47	-4,215,800.06
SOUTH STATE VETERANS PKWY CKI...	5,078,960.11	5,462,430.48	-383,470.37	20,113,806.65	-15,034,846.54
UNITED COMMUNITY BANK GEFA	3,168,656.16	3,184,153.08	-15,496.92	484,499.61	2,684,156.55
Total Checking/Savings	29,607,429.68	28,062,780.76	1,544,648.92	46,173,919.73	-16,566,490.05
Accounts Receivable					
ACCOUNTS RECEIVABLE	3,573,670.97	2,501,465.23	1,072,205.74	4,150,847.02	-577,176.05
Total Accounts Receivable	3,573,670.97	2,501,465.23	1,072,205.74	4,150,847.02	-577,176.05
Other Current Assets					
A/R-MISCELLANEOUS	4,198,495.86	4,071,296.45	127,199.41	1,121,811.49	3,076,684.37
DEPOSITS	1,535,855.83	1,535,855.83	0.00	0.00	1,535,855.83
INVESTMENTS @ MKT VALUE	23,272,114.60	22,339,094.70	933,019.90	25,139,319.16	-1,867,204.56
PREPAID EXPENSES	48,964.00	54,298.00	-5,334.00	41,405.50	7,558.50
Total Other Current Assets	29,055,430.29	28,000,544.98	1,054,885.31	26,302,536.15	2,752,894.14
Total Current Assets	62,236,530.94	58,564,790.97	3,671,739.97	76,627,302.90	-14,390,771.96
Fixed Assets					
ACCUMULATED DEPRECIATION	-643,546.81	-617,083.28	-26,463.53	-342,940.38	-300,606.43
BUILDINGS	7,255,331.17	7,255,331.17	0.00	7,268,211.67	-12,880.50
FURNITURE & EQUIPMENT	723,143.05	721,325.12	1,817.93	698,155.23	24,987.82
LAND AND LAND IMPROVEMENTS	1,200,000.00	1,200,000.00	0.00	1,200,000.00	0.00
VEHICLES	236,452.47	236,452.47	0.00	86,091.45	150,361.02
Total Fixed Assets	8,771,379.88	8,796,025.48	-24,645.60	8,909,517.97	-138,138.09
Other Assets					
AMORTIZATION OF DEFERRED COST	-928,541.53	-905,402.33	-23,139.20	-825,102.33	-103,439.20
DEFERRED COSTS	4,602,625.93	4,602,625.93	0.00	1,752,391.58	2,850,234.35
INVESTMENT IN SEDA I, LLC	741,073.73	733,159.07	7,914.66	649,316.46	91,757.27
LEASED ASSETS	700,155.79	700,155.79	0.00	706,919.04	-6,763.25
LEASED ASSETS - AMORTIZATION	-217,672.12	-206,649.07	-11,023.05	-87,655.18	-130,016.94
OTHER RECEIVABLE	0.00	0.00	0.00	215,538.00	-215,538.00
REAL PROP.HELD-SALE/DEVELOPMENT	11,636,021.06	11,636,021.06	0.00	11,230,171.65	405,849.41
Total Other Assets	16,533,662.86	16,559,910.45	-26,247.59	13,641,579.22	2,892,083.64
TOTAL ASSETS	87,541,573.68	83,920,726.90	3,620,846.78	99,178,400.09	-11,636,826.41

SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY
Statement of Assets, Liabilities & Net Assets
As of January 31, 2023

	Jan 31, 23	Dec 31, 22	\$ Change	Jan 31, 22	\$ Change
LIABILITIES & EQUITY					
Liabilities					
Current Liabilities					
Accounts Payable					
ACCOUNTS PAYABLE	1,221,917.65	1,166,610.09	55,307.56	1,773,997.82	-552,080.17
Total Accounts Payable	1,221,917.65	1,166,610.09	55,307.56	1,773,997.82	-552,080.17
Credit Cards	55,349.43	25,080.01	30,269.42	60,003.63	-4,654.20
Other Current Liabilities					
ACCRUED EXPENSES	2,391,598.13	2,354,098.13	37,500.00	2,545,548.13	-153,950.00
DEFERRED INCOME	8,436,002.11	5,591,066.00	2,844,936.11	7,389,131.05	1,046,871.06
PILOT/VPILT PAYABLE	0.00	77,000.00	-77,000.00	1,116,687.60	-1,116,687.60
RETAINAGE PAYABLE	20,000.00	20,000.00	0.00	0.00	20,000.00
TENANT DEPOSITS-SEDA OFC BLDG	1,500.00	1,500.00	0.00	1,500.00	0.00
UNITED WAY PAYABLE	1,401.92	1,175.00	226.92	820.00	581.92
Total Other Current Liabilities	10,850,502.16	8,044,839.13	2,805,663.03	11,053,686.78	-203,184.62
Total Current Liabilities	12,127,769.24	9,236,529.23	2,891,240.01	12,887,688.23	-759,918.99
Long Term Liabilities					
DEFERRED INTERCHANGE COSTS	4,806,795.36	5,175,074.93	-368,279.57	19,322,531.28	-14,515,735.92
GEFA LOAN PAYABLE	3,830,282.76	3,830,282.76	0.00	0.00	3,830,282.76
LEASE LIABILITY	464,235.54	470,472.71	-6,237.17	530,976.46	-66,740.92
Total Long Term Liabilities	9,101,313.66	9,475,830.40	-374,516.74	19,853,507.74	-10,752,194.08
Total Liabilities	21,229,082.90	18,712,359.63	2,516,723.27	32,741,195.97	-11,512,113.07
Equity					
NET ASSETS-INVSTD IN CAP ASSETS	8,933,074.09	8,933,074.09	0.00	8,933,074.09	0.00
NET ASSETS-UNRESTRICTED	56,275,293.18	58,292,271.70	-2,016,978.52	58,292,271.70	-2,016,978.52
Net Income	1,104,123.51	-2,016,978.52	3,121,102.03	-788,141.67	1,892,265.18
Total Equity	66,312,490.78	65,208,367.27	1,104,123.51	66,437,204.12	-124,713.34
TOTAL LIABILITIES & EQUITY	87,541,573.68	83,920,726.90	3,620,846.78	99,178,400.09	-11,636,826.41

SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY
Statement of Revenues & Expenses - Actual vs. Budget
January 2023

	Jan 23	Budget	\$ Over Budget	Jan 23	YTD Budget	\$ Over Budget	Annual Budget
Ordinary Income/Expense							
Income							
BOND FEES	20,958.27	16,000.00	4,958.27	20,958.27	16,000.00	4,958.27	193,000.00
FOREIGN TRADE ZONE REVENUE	18,540.00	20,000.00	-1,460.00	18,540.00	20,000.00	-1,460.00	240,000.00
INFRASTRUCTURE FEES	725,156.42	721,600.00	3,556.42	725,156.42	721,600.00	3,556.42	8,660,000.00
MISCELLANEOUS INCOME	1,250.00	1,250.00	0.00	1,250.00	1,250.00	0.00	15,000.00
RENTAL INCOME - OTHER	1,500.00	1,750.00	-250.00	1,500.00	1,750.00	-250.00	21,000.00
TRADE SERVICES INCOME	12,889.00	16,220.00	-3,331.00	12,889.00	16,220.00	-3,331.00	240,000.00
Total Income	780,293.69	776,820.00	3,473.69	780,293.69	776,820.00	3,473.69	9,369,000.00
Gross Profit	780,293.69	776,820.00	3,473.69	780,293.69	776,820.00	3,473.69	9,369,000.00
Expense							
ADMIN. OPERATING EXPENSES	390,469.82	365,870.00	24,599.82	390,469.82	365,870.00	24,599.82	4,369,000.00
ASSESSMENTS-CROSSROADS OWN...	0.00	21,000.00	-21,000.00	0.00	21,000.00	-21,000.00	21,000.00
DEPRECIATION & AMORTIZATION	60,625.78	45,400.00	15,225.78	60,625.78	45,400.00	15,225.78	545,000.00
ENG, ENV, MITIGATION, SURVEY, LEGAL	1,262.50	29,200.00	-27,937.50	1,262.50	29,200.00	-27,937.50	350,000.00
GRANT EXPENSES	0.00	41,000.00	-41,000.00	0.00	41,000.00	-41,000.00	500,000.00
INTEREST EXPENSE	869.56			869.56			
PROPERTY MAINTENANCE	5,893.41	6,250.00	-356.59	5,893.41	6,250.00	-356.59	75,000.00
SALES, MKT, PR, RES, PROJ MGT EXP.	187,063.04	243,950.00	-56,886.96	187,063.04	243,950.00	-56,886.96	2,927,000.00
Total Expense	646,184.11	752,670.00	-106,485.89	646,184.11	752,670.00	-106,485.89	8,787,000.00
Net Ordinary Income	134,109.58	24,150.00	109,959.58	134,109.58	24,150.00	109,959.58	582,000.00
Other Income/Expense							
Other Income							
NON-OPERATING REVENUE(EXPENSE)	970,013.93	8,400.00	961,613.93	970,013.93	8,400.00	961,613.93	500,000.00
Total Other Income	970,013.93	8,400.00	961,613.93	970,013.93	8,400.00	961,613.93	500,000.00
Net Other Income	970,013.93	8,400.00	961,613.93	970,013.93	8,400.00	961,613.93	500,000.00
Net Income	1,104,123.51	32,550.00	1,071,573.51	1,104,123.51	32,550.00	1,071,573.51	1,082,000.00



**Management Analysis for Board of Directors
February 2023**

The February 2023 Statement of Assets, Liabilities & Net Assets records \$21m Operating Cash. \$565k was collected in February and \$886k was disbursed. Funds held for Veterans Parkway Interchange decreased by \$198k for the month.

Accounts Receivable decreased \$548k from collections of annual billings.

The market value of investments decreased \$403k in February. The balance as of February 28, 2023 is \$22.9m.

Leased Assets increased \$51k. SEDA entered a 39-month lease in February for a 2023 GMC Yukon. In compliance with GASB 87, leased assets were increased by the present value of lease payments expected to be made over the 39 months. Lease Liability was also increased by the same present value.

Deferred Income decreased to \$7.7m, representing the amount of billing that has been invoiced but not yet recognized.

The February 2023 Statement of Revenues & Expenses records \$285k Net Ordinary Income for the month. Non-Operating Loss of \$365k is due to the loss on investments and contributed to the \$80k Total Net Loss for February. Year to Date (YTD) Net Ordinary Income is \$419k while Non-Operating Income is \$604k, producing a Net Income of \$1m for the first two months of 2023.

SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY
Statement of Assets, Liabilities & Net Assets
As of February 28, 2023

	Feb 28, 23	Jan 31, 23	\$ Change	Feb 28, 22	\$ Change
ASSETS					
Current Assets					
Checking/Savings					
OPERATING CHECKING & MM ACCTS	21,038,766.50	21,359,813.41	-321,046.91	25,569,466.65	-4,530,700.15
SOUTH STATE VETERANS PKWY CKI...	4,881,192.95	5,078,960.11	-197,767.16	19,890,514.00	-15,009,321.05
UNITED COMMUNITY BANK GEFA	3,152,935.79	3,168,656.16	-15,720.37	483,017.83	2,669,917.96
Total Checking/Savings	29,072,895.24	29,607,429.68	-534,534.44	45,942,998.48	-16,870,103.24
Accounts Receivable					
ACCOUNTS RECEIVABLE	3,025,111.97	3,573,670.97	-548,559.00	3,335,488.77	-310,376.80
Total Accounts Receivable	3,025,111.97	3,573,670.97	-548,559.00	3,335,488.77	-310,376.80
Other Current Assets					
A/R-MISCELLANEOUS	6,553,960.01	4,198,495.86	2,355,464.15	1,260,434.53	5,293,525.48
DEPOSITS	1,535,855.83	1,535,855.83	0.00	0.00	1,535,855.83
INVESTMENTS @ MKT VALUE	22,868,898.41	23,272,114.60	-403,216.19	24,739,672.72	-1,870,774.31
PREPAID EXPENSES	43,634.00	48,964.00	-5,330.00	45,421.63	-1,787.63
Total Other Current Assets	31,002,348.25	29,055,430.29	1,946,917.96	26,045,528.88	4,956,819.37
Total Current Assets	63,100,355.46	62,236,530.94	863,824.52	75,324,016.13	-12,223,660.67
Fixed Assets					
ACCUMULATED DEPRECIATION	-670,004.81	-643,546.81	-26,458.00	-366,190.38	-303,814.43
BUILDINGS	7,255,331.17	7,255,331.17	0.00	7,268,211.67	-12,880.50
FURNITURE & EQUIPMENT	724,960.98	723,143.05	1,817.93	700,355.23	24,605.75
LAND AND LAND IMPROVEMENTS	1,200,000.00	1,200,000.00	0.00	1,200,000.00	0.00
VEHICLES	236,452.47	236,452.47	0.00	86,091.45	150,361.02
Total Fixed Assets	8,746,739.81	8,771,379.88	-24,640.07	8,888,467.97	-141,728.16
Other Assets					
AMORTIZATION OF DEFERRED COST	-951,677.53	-928,541.53	-23,136.00	-832,402.33	-119,275.20
DEFERRED COSTS	4,602,625.93	4,602,625.93	0.00	1,752,391.58	2,850,234.35
INVESTMENT IN SEDA I, LLC	749,082.14	741,073.73	8,008.41	656,838.47	92,243.67
LEASED ASSETS	751,524.53	700,155.79	51,368.74	706,919.04	44,605.49
LEASED ASSETS - AMORTIZATION	-230,012.32	-217,672.12	-12,340.20	-87,655.18	-142,357.14
OTHER RECEIVABLE	0.00	0.00	0.00	215,538.00	-215,538.00
REAL PROP.HELD-SALE/DEVELOPMENT	11,636,021.06	11,636,021.06	0.00	11,230,171.65	405,849.41
Total Other Assets	16,557,563.81	16,533,662.86	23,900.95	13,641,801.23	2,915,762.58
TOTAL ASSETS	88,404,659.08	87,541,573.68	863,085.40	97,854,285.33	-9,449,626.25

SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY
Statement of Assets, Liabilities & Net Assets
As of February 28, 2023

	Feb 28, 23	Jan 31, 23	\$ Change	Feb 28, 22	\$ Change
LIABILITIES & EQUITY					
Liabilities					
Current Liabilities					
Accounts Payable					
ACCOUNTS PAYABLE	3,306,997.93	1,221,917.65	2,085,080.28	1,857,822.82	1,449,175.11
Total Accounts Payable	3,306,997.93	1,221,917.65	2,085,080.28	1,857,822.82	1,449,175.11
Credit Cards	-147,362.56	55,349.43	-202,711.99	72,133.81	-219,496.37
Other Current Liabilities					
ACCRUED EXPENSES	2,180,098.13	2,391,598.13	-211,500.00	2,376,048.13	-195,950.00
DEFERRED INCOME	7,672,962.11	8,436,002.11	-763,040.00	6,696,863.05	976,099.06
PILOT/VPILT PAYABLE	0.00	0.00	0.00	1,116,687.60	-1,116,687.60
RETAINAGE PAYABLE	20,000.00	20,000.00	0.00	0.00	20,000.00
TENANT DEPOSITS-SEDA OFC BLDG	1,500.00	1,500.00	0.00	1,500.00	0.00
UNITED WAY PAYABLE	832.38	1,401.92	-569.54	820.00	12.38
Total Other Current Liabilities	9,875,392.62	10,850,502.16	-975,109.54	10,191,918.78	-316,526.16
Total Current Liabilities	13,035,027.99	12,127,769.24	907,258.75	12,121,875.41	913,152.58
Long Term Liabilities					
DEFERRED INTERCHANGE COSTS	4,800,353.63	4,806,795.36	-6,441.73	18,931,260.79	-14,130,907.16
GEFA LOAN PAYABLE	3,830,282.76	3,830,282.76	0.00	0.00	3,830,282.76
LEASE LIABILITY	507,186.28	464,235.54	42,950.74	530,976.46	-23,790.18
Total Long Term Liabilities	9,137,822.67	9,101,313.66	36,509.01	19,462,237.25	-10,324,414.58
Total Liabilities	22,172,850.66	21,229,082.90	943,767.76	31,584,112.66	-9,411,262.00
Equity					
NET ASSETS-INVSTD IN CAP ASSETS	8,933,074.09	8,933,074.09	0.00	8,933,074.09	0.00
NET ASSETS-UNRESTRICTED	56,275,293.18	56,275,293.18	0.00	58,292,271.70	-2,016,978.52
Net Income	1,023,441.15	1,104,123.51	-80,682.36	-955,173.12	1,978,614.27
Total Equity	66,231,808.42	66,312,490.78	-80,682.36	66,270,172.67	-38,364.25
TOTAL LIABILITIES & EQUITY	88,404,659.08	87,541,573.68	863,085.40	97,854,285.33	-9,449,626.25

SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY
Statement of Revenues & Expenses - Actual vs. Budget
February 2023

	Feb 23	Budget	\$ Over Budget	Jan - Feb 23	YTD Budget	\$ Over Budget	Annual Budget
Ordinary Income/Expense							
Income							
BOND FEES	20,955.00	16,100.00	4,855.00	41,913.27	32,100.00	9,813.27	193,000.00
FOREIGN TRADE ZONE REVENUE	18,540.00	20,000.00	-1,460.00	37,080.00	40,000.00	-2,920.00	240,000.00
INFRASTRUCTURE FEES	725,156.00	721,600.00	3,556.00	1,450,312.42	1,443,200.00	7,112.42	8,660,000.00
MISCELLANEOUS INCOME	1,832.66	1,250.00	582.66	3,082.66	2,500.00	582.66	15,000.00
RENTAL INCOME - OTHER	1,500.00	1,750.00	-250.00	3,000.00	3,500.00	-500.00	21,000.00
TRADE SERVICES INCOME	12,889.00	16,220.00	-3,331.00	25,778.00	32,440.00	-6,662.00	240,000.00
Total Income	780,872.66	776,920.00	3,952.66	1,561,166.35	1,553,740.00	7,426.35	9,369,000.00
Gross Profit	780,872.66	776,920.00	3,952.66	1,561,166.35	1,553,740.00	7,426.35	9,369,000.00
Expense							
ADMIN. OPERATING EXPENSES	320,744.45	355,870.00	-35,125.55	711,214.27	721,740.00	-10,525.73	4,369,000.00
ASSESSMENTS-CROSSROADS OWN...	0.00	0.00	0.00	0.00	21,000.00	-21,000.00	21,000.00
DEPRECIATION & AMORTIZATION	61,934.20	45,400.00	16,534.20	122,559.98	90,800.00	31,759.98	545,000.00
ENG, ENV, MITIGATION, SURVEY, LEGAL	9,087.10	29,100.00	-20,012.90	10,349.60	58,300.00	-47,950.40	350,000.00
GRANT EXPENSES	0.00	42,000.00	-42,000.00	0.00	83,000.00	-83,000.00	500,000.00
INTEREST EXPENSE	1,228.37			2,097.93			
PROPERTY MAINTENANCE	8,607.45	6,250.00	2,357.45	14,500.86	12,500.00	2,000.86	75,000.00
SALES, MKT, PR, RES, PROJ MGT EXP.	94,486.68	243,950.00	-149,463.32	281,549.72	487,900.00	-206,350.28	2,927,000.00
Total Expense	496,088.25	722,570.00	-226,481.75	1,142,272.36	1,475,240.00	-332,967.64	8,787,000.00
Net Ordinary Income	284,784.41	54,350.00	230,434.41	418,893.99	78,500.00	340,393.99	582,000.00
Other Income/Expense							
Other Income							
NON-OPERATING REVENUE(EXPENSE)	-365,466.77	58,300.00	-423,766.77	604,547.16	66,700.00	537,847.16	500,000.00
Total Other Income	-365,466.77	58,300.00	-423,766.77	604,547.16	66,700.00	537,847.16	500,000.00
Net Other Income	-365,466.77	58,300.00	-423,766.77	604,547.16	66,700.00	537,847.16	500,000.00
Net Income	-80,682.36	112,650.00	-193,332.36	1,023,441.15	145,200.00	878,241.15	1,082,000.00



**Management Analysis for Board of Directors
March 2023**

The March 2023 Statement of Assets, Liabilities & Net Assets records \$18m in operating cash. Of the \$3m decrease from February, \$2.5m was paid toward the extension of the natural gas line to the JDA property as approved by the SEDA Board in February. The Veterans Parkway funds decreased by \$1.6m in March.

Accounts Receivable decreased \$863k from collections of annual billings.

The market value of investments increased \$407k in March. The balance as of March 31, 2023 is \$23.3m.

Accounts Payable decreased by \$3m which is simply timing. There were a few larger payables at the end of February, paid at the beginning of March.

Deferred Income decreased to \$6.9m, representing the amount of billing that has been invoiced but not yet recognized.

The March 2021 Statement of Revenues & Expenses records \$616k Net Income for the month. This is a \$517k favorable variance to the \$99k budget. Net Ordinary Income was \$167k for March and Non-Operating Income was \$449k.

At the end of the first quarter of 2023, Net Ordinary Income is \$586k while Non-Operating Income stand at \$1m, producing a Total Net Income of \$1.6m Year to Date.

SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY
Statement of Assets, Liabilities & Net Assets
As of March 31, 2023

	Mar 31, 23	Feb 28, 23	\$ Change	Mar 31, 22	\$ Change
ASSETS					
Current Assets					
Checking/Savings					
OPERATING CHECKING & MM ACCTS	18,031,348.44	21,038,766.50	-3,007,418.06	23,753,191.28	-5,721,842.84
SOUTH STATE VETERANS PKWY CKI...	3,264,233.77	4,881,192.95	-1,616,959.18	16,876,749.40	-13,612,515.63
UNITED COMMUNITY BANK GEFA	3,179,387.35	3,152,935.79	26,451.56	551,335.71	2,628,051.64
Total Checking/Savings	24,474,969.56	29,072,895.24	-4,597,925.68	41,181,276.39	-16,706,306.83
Accounts Receivable					
ACCOUNTS RECEIVABLE	2,161,694.05	3,025,111.97	-863,417.92	3,027,674.77	-865,980.72
Total Accounts Receivable	2,161,694.05	3,025,111.97	-863,417.92	3,027,674.77	-865,980.72
Other Current Assets					
A/R-MISCELLANEOUS	6,842,877.90	6,553,960.01	288,917.89	2,326,393.50	4,516,484.40
DEPOSITS	1,535,855.83	1,535,855.83	0.00	0.00	1,535,855.83
INVESTMENTS @ MKT VALUE	23,276,315.98	22,868,898.41	407,417.57	24,645,574.72	-1,369,258.74
PREPAID EXPENSES	55,810.00	43,634.00	12,176.00	58,906.58	-3,096.58
Total Other Current Assets	31,710,859.71	31,002,348.25	708,511.46	27,030,874.80	4,679,984.91
Total Current Assets	58,347,523.32	63,100,355.46	-4,752,832.14	71,239,825.96	-12,892,302.64
Fixed Assets					
ACCUMULATED DEPRECIATION	-696,462.81	-670,004.81	-26,458.00	-386,286.01	-310,176.80
BUILDINGS	7,255,331.17	7,255,331.17	0.00	7,268,211.67	-12,880.50
FURNITURE & EQUIPMENT	724,960.98	724,960.98	0.00	709,779.17	15,181.81
LAND AND LAND IMPROVEMENTS	1,200,000.00	1,200,000.00	0.00	1,200,000.00	0.00
VEHICLES	236,452.47	236,452.47	0.00	86,091.45	150,361.02
Total Fixed Assets	8,720,281.81	8,746,739.81	-26,458.00	8,877,796.28	-157,514.47
Other Assets					
AMORTIZATION OF DEFERRED COST	-974,813.53	-951,677.53	-23,136.00	-839,702.33	-135,111.20
DEFERRED COSTS	4,602,625.93	4,602,625.93	0.00	1,752,391.58	2,850,234.35
INVESTMENT IN SEDA I, LLC	757,151.09	749,082.14	8,068.95	664,363.18	92,787.91
LEASED ASSETS	734,627.73	751,524.53	-16,896.80	706,919.04	27,708.69
LEASED ASSETS - AMORTIZATION	-225,455.73	-230,012.32	4,556.59	-87,655.18	-137,800.55
OTHER RECEIVABLE	0.00	0.00	0.00	215,538.00	-215,538.00
REAL PROP.HELD-SALE/DEVELOPMENT	11,636,021.06	11,636,021.06	0.00	11,230,171.65	405,849.41
Total Other Assets	16,530,156.55	16,557,563.81	-27,407.26	13,642,025.94	2,888,130.61
TOTAL ASSETS	83,597,961.68	88,404,659.08	-4,806,697.40	93,759,648.18	-10,161,686.50

SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY
Statement of Assets, Liabilities & Net Assets
As of March 31, 2023

	Mar 31, 23	Feb 28, 23	\$ Change	Mar 31, 22	\$ Change
LIABILITIES & EQUITY					
Liabilities					
Current Liabilities					
Accounts Payable					
ACCOUNTS PAYABLE	235,694.53	3,306,997.93	-3,071,303.40	1,085,562.66	-849,868.13
Total Accounts Payable	235,694.53	3,306,997.93	-3,071,303.40	1,085,562.66	-849,868.13
Credit Cards	101,093.37	-147,362.56	248,455.93	57,870.58	43,222.79
Other Current Liabilities					
ACCRUED EXPENSES	1,896,048.13	2,180,098.13	-284,050.00	2,085,623.13	-189,575.00
DEFERRED INCOME	6,904,964.11	7,672,962.11	-767,998.00	6,041,140.05	863,824.06
PILOT/VPILT PAYABLE	0.00	0.00	0.00	1,116,687.60	-1,116,687.60
RETAINAGE PAYABLE	20,000.00	20,000.00	0.00	0.00	20,000.00
TENANT DEPOSITS-SEDA OFC BLDG	1,500.00	1,500.00	0.00	1,500.00	0.00
UNITED WAY PAYABLE	807.38	832.38	-25.00	770.00	37.38
Total Other Current Liabilities	8,823,319.62	9,875,392.62	-1,052,073.00	9,245,720.78	-422,401.16
Total Current Liabilities	9,160,107.52	13,035,027.99	-3,874,920.47	10,389,154.02	-1,229,046.50
Long Term Liabilities					
DEFERRED INTERCHANGE COSTS	3,259,340.46	4,800,353.63	-1,541,013.17	16,426,571.87	-13,167,231.41
GEFA LOAN PAYABLE	3,830,282.76	3,830,282.76	0.00	0.00	3,830,282.76
LEASE LIABILITY	500,487.73	507,186.28	-6,698.55	530,976.46	-30,488.73
Total Long Term Liabilities	7,590,110.95	9,137,822.67	-1,547,711.72	16,957,548.33	-9,367,437.38
Total Liabilities	16,750,218.47	22,172,850.66	-5,422,632.19	27,346,702.35	-10,596,483.88
Equity					
NET ASSETS-INVSTD IN CAP ASSETS	8,933,074.09	8,933,074.09	0.00	8,933,074.09	0.00
NET ASSETS-UNRESTRICTED	56,275,293.18	56,275,293.18	0.00	58,292,271.70	-2,016,978.52
Net Income	1,639,375.94	1,023,441.15	615,934.79	-812,399.96	2,451,775.90
Total Equity	66,847,743.21	66,231,808.42	615,934.79	66,412,945.83	434,797.38
TOTAL LIABILITIES & EQUITY	83,597,961.68	88,404,659.08	-4,806,697.40	93,759,648.18	-10,161,686.50

SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY
Statement of Revenues & Expenses - Actual vs. Budget
March 2023

	Mar 23	Budget	\$ Over Budget	Jan - Mar 23	YTD Budget	\$ Over Budget	Annual Budget
Ordinary Income/Expense							
Income							
BOND FEES	20,955.00	16,100.00	4,855.00	62,868.27	48,200.00	14,668.27	193,000.00
FOREIGN TRADE ZONE REVENUE	18,540.00	20,000.00	-1,460.00	55,620.00	60,000.00	-4,380.00	240,000.00
INFRASTRUCTURE FEES	725,156.00	721,800.00	3,356.00	2,175,468.42	2,165,000.00	10,468.42	8,660,000.00
MISCELLANEOUS INCOME	1,546.10	1,250.00	296.10	4,628.76	3,750.00	878.76	15,000.00
RENTAL INCOME - OTHER	1,500.00	1,750.00	-250.00	4,500.00	5,250.00	-750.00	21,000.00
TRADE SERVICES INCOME	13,597.00	16,310.00	-2,713.00	39,375.00	48,750.00	-9,375.00	240,000.00
Total Income	781,294.10	777,210.00	4,084.10	2,342,460.45	2,330,950.00	11,510.45	9,369,000.00
Gross Profit	781,294.10	777,210.00	4,084.10	2,342,460.45	2,330,950.00	11,510.45	9,369,000.00
Expense							
ADMIN. OPERATING EXPENSES	357,518.84	369,960.00	-12,441.16	1,068,733.11	1,091,700.00	-22,966.89	4,369,000.00
ASSESSMENTS-CROSSROADS OWN...	0.00	0.00	0.00	0.00	21,000.00	-21,000.00	21,000.00
DEPRECIATION & AMORTIZATION	61,934.21	45,400.00	16,534.21	184,494.19	136,200.00	48,294.19	545,000.00
ENG, ENV, MITIGATION, SURVEY, LEGAL	34,985.50	29,200.00	5,785.50	45,335.10	87,500.00	-42,164.90	350,000.00
GRANT EXPENSES	0.00	42,000.00	-42,000.00	0.00	125,000.00	-125,000.00	500,000.00
INTEREST EXPENSE	1,181.91			3,279.84			
PROPERTY MAINTENANCE	8,345.25	6,250.00	2,095.25	22,846.11	18,750.00	4,096.11	75,000.00
SALES, MKT, PR, RES, PROJ MGT EXP.	149,943.30	243,950.00	-94,006.70	431,493.02	731,850.00	-300,356.98	2,927,000.00
Total Expense	613,909.01	736,760.00	-122,850.99	1,756,181.37	2,212,000.00	-455,818.63	8,787,000.00
Net Ordinary Income	167,385.09	40,450.00	126,935.09	586,279.08	118,950.00	467,329.08	582,000.00
Other Income/Expense							
Other Income							
NON-OPERATING REVENUE(EXPENSE)	448,549.70	58,300.00	390,249.70	1,053,096.86	125,000.00	928,096.86	500,000.00
Total Other Income	448,549.70	58,300.00	390,249.70	1,053,096.86	125,000.00	928,096.86	500,000.00
Net Other Income	448,549.70	58,300.00	390,249.70	1,053,096.86	125,000.00	928,096.86	500,000.00
Net Income	615,934.79	98,750.00	517,184.79	1,639,375.94	243,950.00	1,395,425.94	1,082,000.00

SAVANNAH ECONOMIC
DEVELOPMENT AUTHORITY

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

Draft 4.27.2023

SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY

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Independent Auditor's Report

To the Board of Directors of
Savannah Economic Development Authority

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying consolidated financial statements of the business-type activities of the Savannah Economic Development Authority (SEDA) and affiliates, as of and for the years ended December 31, 2022 and 2021, and the related notes to the consolidated financial statements, which collectively comprise SEDA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of SEDA, as of December 31, 2022 and 2021, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 SEDA 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.

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2022, SEDA adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 SEDA'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about SEDA'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

Management has omitted management's discussion and analysis and budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the GASB 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. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the consolidated financial statements that collectively comprise SEDA's basic financial statements. The accompanying Schedule of Expenditures of OneGeorgia Awards, the Source and Application of Funds Schedule - OneGeorgia Awards, and the Project Cost Schedule - OneGeorgia Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards

generally accepted in the United States of America. In our opinion, this supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 1, 2023, on our consideration of SEDA'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 the effectiveness of SEDA'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 SEDA's internal control over financial reporting and compliance.

Holland, Bromley, Barnhill & Brett, LLP
Savannah, Georgia
May 1, 2023

Draft 4.27.2023

SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY
CONSOLIDATED STATEMENTS OF NET POSITION
PROPRIETARY FUND

	<u>December 31,</u>	
	<u>2022</u>	<u>2021</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 19,416,196	\$ 25,355,183
Restricted cash	8,646,583	22,730,873
Investments	22,339,095	26,333,695
Accounts receivable	6,572,762	1,035,349
Other receivable	-	445,460
Prepaid expenses and deposits	1,590,154	51,467
Total current assets	<u>58,564,790</u>	<u>75,952,027</u>
Noncurrent assets		
SEDA I, LLC investment	733,159	401,200
Capital assets-net of accumulated depreciation and amortization	9,289,532	9,552,338
Real property held for sale or development	11,636,021	11,230,171
Total noncurrent assets	<u>21,658,712</u>	<u>21,183,709</u>
Total assets	<u>80,223,502</u>	<u>97,135,736</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources-net of amortization	3,697,224	934,609
	<u>3,697,224</u>	<u>934,609</u>
LIABILITIES		
Current liabilities		
Accounts payable	1,212,865	1,881,626
Accrued expenses	2,354,098	2,516,048
Unearned property deposits	1,500	1,500
Voluntary payments in lieu of taxes	77,000	-
Current portion of lease obligations	116,567	90,024
Total current liabilities	3,762,030	4,489,198
Long-term lease obligations	353,905	440,952
Long-term note payable	3,830,283	-
Total liabilities	<u>7,946,218</u>	<u>4,930,150</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources	10,766,141	25,914,849
	<u>10,766,141</u>	<u>25,914,849</u>
NET POSITION		
Net investment in capital assets	8,819,060	9,021,362
Unrestricted	56,389,307	58,203,984
Total net position	<u>\$ 65,208,367</u>	<u>\$ 67,225,346</u>

(The accompanying notes are an integral part of the consolidated financial statements.)

SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY
CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND

	For the years ended	
	December 31,	
	<u>2022</u>	<u>2021</u>
REVENUES AND OTHER SUPPORT		
Infrastructure and recap fees	\$ 7,728,359	\$ 8,319,664
Rental income	24,606	25,315
World Trade Center income	470,554	452,026
Administrative fees	267,542	436,121
Miscellaneous income	22,770	20,302
Total operating revenues	8,513,831	9,253,428
OPERATING EXPENSES		
Personnel and wages	2,281,807	2,041,284
Professional fees	629,239	1,071,159
Incentives	589,842	1,351,443
Depreciation and amortization	538,987	389,253
Travel and entertainment	490,383	355,908
Sponsorships	461,307	424,677
Promotional and collateral materials	356,308	65,236
Special events and business development	274,535	180,825
Insurance	249,490	252,413
Property maintenance	157,356	84,186
Office	140,599	161,000
Payroll taxes	138,187	131,191
Dues and subscriptions	103,392	57,965
Retirement plan contributions	99,256	99,395
Advertising	84,581	58,845
Website development and maintenance	55,012	115,089
Research	54,658	59,816
Telephone	41,087	53,468
Organization	40,397	28,575
Assessments - Crossroads Owners Association	39,482	-
Utilities	38,174	47,031
Board meetings and reports	31,949	80,851
Grants	-	14,310
Bad debt	-	7,500
Total operating expenses	6,896,028	7,131,420
Operating income	1,617,803	2,122,008

(The accompanying notes are an integral part of the consolidated financial statements.)

SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY
CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND - (continued)

	For the years ended	
	<u>December 31,</u>	
	<u>2022</u>	<u>2021</u>
NON-OPERATING (EXPENSES) REVENUES		
Investment fees	\$ (163,708)	\$ (170,873)
Interest income	319,740	287,502
Dividend income	180,986	127,873
Unrealized (losses) gains	(4,040,384)	616,082
Realized (losses) gains	(251,823)	1,003,503
Gain on disposal of capital assets	-	40,694
Interest expense	(11,502)	(7,858)
Income from SEDA I, LLC	331,909	68,366
Total non-operating (expenses) revenues	(3,634,782)	1,965,289
Net (loss) income	(2,016,979)	4,087,297
Net position - beginning	67,225,346	63,138,049
Net position - ending	\$ 65,208,367	\$ 67,225,346

(The accompanying notes are an integral part of the consolidated financial statements.)

SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY
CONSOLIDATED STATEMENTS OF CASH FLOWS
PROPRIETARY FUND

	For the years ended	
	<u>December 31,</u>	
	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash (expended) received from providing services	\$ (12,172,290)	\$ 35,803,274
Payments to suppliers and employees	<u>(11,054,213)</u>	<u>(6,339,101)</u>
Net cash (used for) provided by operating activities	<u>(23,226,503)</u>	<u>29,464,173</u>
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition or construction of capital assets	(164,299)	(2,954,494)
Proceeds from sale of capital assets	-	58,748
Borrowings on note payable	3,830,283	-
Payments on lease obligations	<u>(96,268)</u>	<u>(183,801)</u>
Net cash provided by (used for) capital and related financing activities	<u>3,569,716</u>	<u>(3,079,547)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Net proceeds from reimbursements of costs related to real property held for sale or development	-	154,860
Acquisition or development of real property held for sale or development	(405,850)	(128,712)
Interest proceeds from cash and cash equivalents	<u>39,360</u>	<u>15,327</u>
Net cash (used for) provided by investing activities	<u>(366,490)</u>	<u>41,475</u>
 Net (decrease) increase in cash and cash equivalents	(20,023,277)	26,426,101
 CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>48,086,056</u>	<u>21,659,955</u>
 CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 28,062,779</u>	<u>\$ 48,086,056</u>
 CASH AND CASH EQUIVALENTS from the Consolidated Statements of Financial Position		
Cash and cash equivalents	\$ 19,416,196	\$ 25,355,183
Restricted cash	<u>8,646,583</u>	<u>22,730,873</u>
	<u>\$ 28,062,779</u>	<u>\$ 48,086,056</u>

(The accompanying notes are an integral part of the consolidated financial statements.)

SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY
CONSOLIDATED STATEMENTS OF CASH FLOWS
PROPRIETARY FUND - (continued)

	For the years ended	
	December 31,	
	2022	2021
RECONCILIATION OF OPERATING INCOME TO		
NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 1,617,803	\$ 2,122,008
Adjustments to reconcile operating income to cash (used for) provided by operating activities		
Depreciation and amortization expense	538,987	389,253
Increase in deferred outflows of resources	(2,850,234)	-
(Decrease) increase in deferred inflows of resources	(15,148,708)	25,862,357
Change in assets and liabilities		
(Increase) decrease in accounts receivable	(5,537,413)	687,489
Increase in prepaid expenses and deposits	(1,538,687)	(21,658)
Decrease in other receivable	445,460	229,922
Decrease in accounts payable	(668,761)	(757,223)
(Decrease) increase in accrued expenses	(161,950)	1,565,166
Increase (decrease) in voluntary payments in lieu of taxes	77,000	(613,141)
Net cash (used for) provided by operating activities	\$ (23,226,503)	\$ 29,464,173
 SCHEDULE OF NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Change in fair value of investments	\$ (3,994,600)	\$ 1,848,711
Change in investment in SEDA I, LLC	331,959	68,416

(The accompanying notes are an integral part of the consolidated financial statements.)

SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

The Savannah Economic Development Authority is a body corporate and politic and an instrumentality of the State of Georgia established in 1925, as the Savannah Port Authority, and by amendment to the Constitution of the State of Georgia in 1951. The organization was renamed the Savannah Economic Development Authority (SEDA) in 1989. SEDA's board consists of nineteen members with six members appointed by each the City of Savannah, Chatham County, and SEDA. Each of the above organizations has the opportunity to appoint the nineteenth member on a rotating basis.

SEDA's primary goals are developing industrial growth and expansion and making long range plans for the coordination of commerce, industry and traffic within Savannah and Chatham County, Georgia. SEDA's primary functions in achieving these goals are the issuance of industrial revenue obligations, real estate acquisition, development and management, and soliciting businesses for potential relocation to the Savannah area.

Reporting Entity

SEDA is governed by members of the board of directors. The reporting entity comprises the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading.

Criteria for determining if other entities are potential component units which should be reported within SEDA's financial statements are identified and described in GASB's Codification of Governmental Accounting and Financial Reporting Standards, Sections 2100 and 2600. The application of these criteria provides for identification of any entities for which SEDA is financially accountable and other organizations for which the nature and significance of their relationship with SEDA are such that exclusion would cause SEDA's financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of SEDA.

SEDA's consolidated financial statements include the investment in SEDA I, LLC, which is a single-member limited liability company wholly owned by SEDA. See Note 13 for further discussion.

In 2011, World Trade Center Savannah, LLC (WTCSav) was created as a single member limited liability company wholly owned by SEDA. WTCSav was created to further the SEDA mission to create, grow and attract jobs and investment in the Savannah region. It does so by helping regional businesses expand internationally and identifying more foreign direct investment opportunities for the Savannah region. WTCSav is treated as a consolidating entity included in SEDA's financial statements as of December 31, 2022 and 2021. See Note 13 for further discussion.

In 2014, Savannah World Trade Center for Investment, LLC (SWTCI) was created as a single member limited liability company wholly owned by WTCSav which is wholly owned by SEDA. SWTCI was created in anticipation of developing and operating a U.S. Citizenship and Immigration Services (USCIS) approved EB-5 Regional Center. The EB-5 program was created by Congress to stimulate the U.S. economy through job creation and capital investment by foreign investors. SWTCI was approved by USCIS to become a Regional Center in January 2016. The EB-5 Regional Center status was terminated by USCIS in 2020 due to a lack of applicable projects. SWTCI was dissolved in 2021.

Reporting Entity (continued)

In August 2016, the Savannah Area Film Office became a part of SEDA through memorandums of understanding with the City of Savannah and Chatham County. Financial information related to the Savannah Area Film Office is included in the accompanying consolidated financial statements with other SEDA operations.

Fund Type

The operations of SEDA are accounted for in the Proprietary Fund type of the Enterprise Fund. Enterprise funds are used to account for the operations that are financed and operated in a manner similar to private business or where SEDA has decided that the determination of revenues earned, costs incurred, and/or income is necessary for management accountability.

Basis of Presentation – Fund Accounting

As a body corporate and politic, SEDA elected, in 1998, to change its method of financial reporting from that of a not-for-profit organization to that of a government unit. Accordingly, the financial statements are presented in accordance with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of SEDA's accounting policies are described below.

Measurement Focus/Basis of Accounting

The economic measurement focus and the accrual basis of accounting are used by SEDA. Proprietary funds use the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recognized when incurred or the economic asset is used. Under this basis of accounting, all assets and liabilities associated with the operations of SEDA are included on the consolidated statements of net position. 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 operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in fund net position.

Cash, Cash Equivalents, and Investments

Cash equivalents include amounts in petty cash, bank demand deposits, and money funds. SEDA considers all highly liquid investments with maturities of three months or less, when purchased, to be cash equivalents. Restricted cash consists of cash held for other entities as part of SEDA's administration of certain economic development projects.

Investments are stated at fair value based on quoted market prices.

Accounts Receivable

SEDA's accounts receivable are stated at realizable values net of allowances for uncollectible accounts, if any. Management considers all receivables at December 31, 2022 and 2021, to be fully collectible. Accordingly, no allowance for doubtful accounts is considered necessary for these receivables.

Prepaid Items

Payments made to vendors for services that benefit periods beyond the current fiscal year are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting expense in the year in which the services are consumed.

Real Property Held for Sale or Development

Real property held for sale or development consists of land and improvements located at Crossroads Business Park, Savannah Chatham Manufacturing Center, and other smaller tracts. If purchased, these assets are recorded at the lower of cost or fair market value. If donated, these assets are recorded at appraised value. See Note 10 for further discussion.

New Accounting Pronouncement

In June 2017, the GASB issued Statement No. 87, *Leases* (GASB 87), which addresses accounting and financial reporting for leases by governments. GASB 87 establishes a single model for lease accounting based on the principle that leases are essentially financing of the right to use an underlying asset. The statement requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as outflows of resources based on the payment provisions of the lease contract. SEDA has implemented GASB 87 as of and for the year ended December 31, 2022, and certain prior year amounts have been restated in the accompanying financial statements to conform with the implementation. The affected line items of the December 31, 2021 financial statements are as follows:

	<u>As previously reported</u>	<u>Restated</u>
<i>Consolidated Statement of Net Position</i>		
Prepaid expenses and deposits	\$ 145,217	\$ 51,467
Total current assets	75,830,239	75,952,027
Capital assets - net of accumulated depreciation and amortization	8,933,074	9,552,338
Total noncurrent assets	20,779,983	21,183,709
Total assets	96,610,222	97,135,736
Current portion of lease obligations	-	90,024
Total current liabilities	4,399,174	4,489,198
Long-term lease obligations	-	440,952
Total liabilities	4,399,174	4,930,150
Net position investment in capital assets	8,933,074	9,021,362
Unrestricted net position	58,297,734	58,203,984
Total net position	67,230,808	67,225,346
<i>Consolidated Statement of Revenues, Expenses and Changes in Fund Net Position</i>		
Depreciation and amortization	\$ 301,598	\$ 389,253
Travel and entertainment	376,407	355,908
Office	230,552	161,000
Total operating expenses	7,133,816	7,131,420
Operating income	2,119,612	2,122,008
Interest expense	-	7,858
Total non-operating revenues	1,973,147	1,965,289
Net income	4,092,759	4,087,297

Capital Assets

Land, buildings, and equipment are recorded at cost if purchased or appraised value if donated. Depreciation is recorded by using the straight-line method and is based on assets' estimated useful lives ranging from 5 - 40 years.

Fund Equity

Fund equity for all proprietary funds is classified as "net position." Net position represents the difference between assets and liabilities and deferred outflows and inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of any borrowings or lease obligations used for the acquisition, construction, or improvements of those assets. Net positions are reported as restricted when there are limitations imposed on their use by outside third-parties, creditors, grantors, or regulation of other governments. All other net positions are reported as unrestricted.

Accounting Pronouncements

SEDA is applying all applicable GASB pronouncements as well as following all Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedures issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Tax Abatements

SEDA adheres to GASB 77, *Tax Abatement Disclosures*, which requires state and local governments to disclose certain information about tax abatements and the tax revenues affected by these abatements. SEDA is authorized to enter into tax abatement agreements as a state constitutional authority and by state law. The tax abatement agreements are designed to attract new businesses to Chatham County, Georgia and to incentivize existing businesses to retain or expand operations in the County. Tax on real property and attached fixtures can be partially to fully abated. The length of the agreements as well as the abatement percentages are based on SEDA's approved guidelines related to the projects' commitment of the dollar amount of investment and the number of qualifying jobs to be created and/or maintained. SEDA does not collect property taxes and therefore entering into these contracts does not negatively impact SEDA's revenues. As of December 31, 2022 and 2021, SEDA was a party to fifty (50) and fifty-two (52) tax abatement agreements, respectively.

Infrastructure and Recapitalization Fees

SEDA has invested its own and borrowed funds to foster investment and job creation in Chatham County, Georgia. As a state constitutional authority, SEDA is empowered to offer certain incentives to potential investors in Chatham County, Georgia by taking title to the land and improvements of a project and leasing the property back to the investors. In return for that action, SEDA negotiates annual fees that will repay SEDA for its investment and costs of infrastructure typically paid by government.

Advertising

Advertising costs are expensed as incurred. Advertising costs for the years ended December 31, 2022 and 2021 were \$84,581 and \$58,845, respectively.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources are reported on a separate line in the consolidated statements of net position to record costs related to future income until such future payments are received. Expenses are amortized over the established payment period. See Note 7 for further discussion.

Deferred inflows of resources are reported on a separate line in the consolidated statements of net position to record funds received related to future expenditures until such future costs are incurred. See Note 3 for further discussion.

Reclassifications

Certain prior year amounts have been reclassified to conform to current year presentation.

Subsequent Events

SEDA has evaluated subsequent events through May 1, 2023, the date the financial statements were available to be issued.

NOTE 2 - CASH ON DEPOSIT WITH FINANCIAL INSTITUTIONS AND CONCENTRATIONS OF CREDIT RISK

SEDA maintains its cash balances with commercial banks in deposit accounts. The Federal Deposit Insurance Corporation (FDIC) insured these deposits up to \$250,000 per financial institution. In addition, seven of SEDA's eleven cash accounts are collateralized in accordance with Official Code of Georgia Annotated, Title 45, Chapter 8, Section 12 (O.C.G.A. § 45-8-12), through the State of Georgia Secure Deposit Program. Uninsured cash at December 31, 2022 and 2021 totaled approximately \$928,000 and \$13,898,000, respectively. SEDA has a custodial credit risk policy which states that cash account balances will be reviewed monthly to ensure proper coverage through FDIC insurance.

NOTE 3 - INCOME TAX-EXEMPT INDUSTRIAL REVENUE OBLIGATIONS

A function of SEDA is the issuance of certain income tax-exempt industrial revenue bonds (IRBs) known as conduit debt securities. The full faith and credit of the issuer, SEDA, is not involved. A typical conduit debt security IRB states on its face that the bonds are limited obligations of the issuer, and they are payable solely out of the proceeds of the related project. Hence, purchasers of such bonds have no recourse against SEDA or its employees in the event of default. The bonds are the primary obligation of the borrower on whose behalf the bonds are issued. Consequently, they are not reflected on the financial statements of SEDA. As of December 31, 2022 and 2021, there were 18 and 20 IRBs outstanding with aggregate principal balances of \$762,182,750 and \$653,539,724, respectively.

In January 2021, SEDA issued revenue bonds totaling \$28,000,000 to fund the Veterans Parkway Interchange Project. The City of Savannah is the obligor on the bonds and is responsible for bond payments. SEDA agreed to administer and manage the project as an agent of the City. SEDA received the bond proceeds in January 2021, and at December 31, 2021, there were remaining, unspent bond funds totaling \$20,566,518 included in restricted cash on the accompanying consolidated statement of net position. Also included on the accompanying consolidated statement of net position at December 31, 2021 are accounts receivable of \$160,525 related to amounts spent from SEDA operating funds on the project, accounts payable of \$138,709 related to unpaid vendor invoices for the project, and deferred inflows of resources of \$20,427,809 representing unspent bond funds less vendor payables related to the project.

NOTE 3 - INCOME TAX-EXEMPT INDUSTRIAL REVENUE OBLIGATIONS (continued)

In May 2022, SEDA issued additional revenue bonds totaling \$5,750,000 to fund additional costs related to the Veterans Parkway Interchange Project. The City of Savannah is the obligor on the bonds and is responsible for bond payments. SEDA received the bond proceeds in May 2022, and at December 31, 2022, there were remaining, unspent bond funds totaling \$5,462,430 included in restricted cash on the accompanying consolidated statement of net position. Also included on the accompanying consolidated statement of net position at December 31, 2022 are accounts receivable of \$820 related to amounts spent from SEDA operating funds on the project, accounts payable of \$286,536 related to unpaid vendor invoices for the project, and deferred inflows of resources of \$5,175,075 representing unspent bond funds less vendor payables related to the project.

NOTE 4 - OTHER RECEIVABLE

In March 2018, Gulfstream Aerospace Corporation (Gulfstream) agreed to reimburse SEDA for certain deconstruction costs incurred by SEDA in 2017 and 2018, totaling \$1,365,148, related to property located at 1000 Davidson Drive in Savannah, Georgia, adjacent to the Gulfstream campus and the Savannah Airport. The payments due to SEDA were to be paid over five years, ending in 2023. At December 31, 2021, SEDA recognized a receivable of \$445,460 related to this agreement, in the consolidated statements of net position. This amount was received in full in 2022.

NOTE 5 - CAPITAL ASSETS

Capital assets are stated at cost and consist of the following:

	<u>Useful Lives</u>	<u>December 31, 2021</u>	<u>Additions</u>	<u>Disposals</u>	<u>December 31, 2022</u>
Land		\$ 1,200,000			\$ 1,200,000
Building	40 years	7,268,212		\$ (12,881)	7,255,331
Vehicles	5 years	86,093	\$ 150,361		236,454
Furniture and equipment	5-10 years	694,504	26,819	\$ -	721,323
		<u>9,248,809</u>	<u>177,180</u>	<u>(12,881)</u>	<u>9,413,108</u>
Less accumulated depreciation		<u>315,735</u>	<u>301,348</u>	<u>-</u>	<u>617,083</u>
Total capital assets, being depreciated, net		<u>\$ 8,933,074</u>	<u>\$ (124,168)</u>	<u>\$ (12,881)</u>	<u>\$ 8,796,025</u>
Lease assets - facilities	5-6 years	\$ 326,398			\$ 326,398
Lease assets - equipment	2-6 years	342,833	\$ 24,262	\$ (10,234)	356,861
Lease assets - vehicles	2-4 years	37,688	-	(20,791)	16,897
		<u>706,919</u>	<u>24,262</u>	<u>(31,025)</u>	<u>700,156</u>
Less accumulated amortization		<u>87,655</u>	<u>150,019</u>	<u>(31,025)</u>	<u>206,649</u>
Total capital assets, being amortized, net		<u>\$ 619,264</u>	<u>\$ (125,757)</u>	<u>\$ -</u>	<u>\$ 493,507</u>
Total capital assets		<u>\$ 9,552,338</u>	<u>\$ (249,925)</u>	<u>\$ (12,881)</u>	<u>\$ 9,289,532</u>

NOTE 5 - CAPITAL ASSETS (continued)

	<u>Useful Lives</u>	December 31,			December 31,
		<u>2020</u>	<u>Additions</u>	<u>Disposals</u>	<u>2021</u>
Land		\$ -	\$ 1,200,000		\$ 1,200,000
Building	40 years	-	7,268,212		7,268,212
Vehicles	5 years	86,093			86,093
Furniture and equipment	5-10 years	658,678	573,826	\$ (538,000)	694,504
Construction in process		6,087,544	2,380,668	(8,468,212)	-
		<u>6,832,315</u>	<u>11,422,706</u>	<u>(9,006,212)</u>	<u>9,248,809</u>
Less accumulated depreciation		621,703	213,978	(519,946)	315,735
Total capital assets, being depreciated, net		<u>\$ 6,210,612</u>	<u>\$ 11,208,728</u>	<u>\$ (8,486,266)</u>	<u>\$ 8,933,074</u>
Lease assets - facilities	5-6 years	\$ 326,398			\$ 326,398
Lease assets - equipment	2-6 years	342,833			342,833
Lease assets - vehicles	2-4 years	37,688	\$ -	\$ -	37,688
		<u>706,919</u>	<u>-</u>	<u>-</u>	<u>706,919</u>
Less accumulated amortization		-	87,655	-	87,655
Total capital assets, being amortized, net		<u>\$ 706,919</u>	<u>\$ (87,655)</u>	<u>\$ -</u>	<u>\$ 619,264</u>
Total capital assets		<u>\$ 6,917,531</u>	<u>\$ 11,121,073</u>	<u>\$ (8,486,266)</u>	<u>\$ 9,552,338</u>

NOTE 6 - LEASES

SEDA leases facilities, office equipment and vehicles under eight noncancellable lease agreements. SEDA accounts for noncancellable leases under GASB 87, *Leases*, and has recorded lease liabilities and intangible right-to-use lease assets in the accompanying consolidated financial statements based on the facts and circumstances in place at the beginning of the earliest period presented, January 1, 2021.

The initial lease liabilities total \$706,919 and were measured at the present value of lease payments expected to be made during the lease terms, discounted using stated interest rates included in the lease agreements, if applicable, or an estimated implicit borrowing rate, and the rates used range from 2.26% to 6.45%.

Subsequently, the lease liabilities were reduced by the principal portion of lease payments made and interest expense is recorded as an outflow of resources. The initial lease assets were measured at the initial amount of the lease liabilities. Subsequently, the lease assets are amortized on a straight-line basis over the lease terms. The lease terms include the noncancellable period of the lease as well as any period in which the lessee has the option to the extend the lease, if it is reasonably certain the option will be exercised. Lease assets are reported with other capital assets and lease liabilities are reported with current and long-term liabilities on the consolidated statements of net position.

SEDA monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of the lease liabilities.

Interest expense related to leases totaled \$11,502 and \$7,858 for the years ended December 31, 2022 and 2021, respectively.

NOTE 6 - LEASES (continued)

Changes in leases payable are as follows:

	December 31,			December 31,
	<u>2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>2022</u>
Leases of facilities	\$ 232,648	\$ 5,258	\$ -	\$ 237,906
Leases of equipment	279,608	24,262	(72,024)	231,846
Leases of vehicles	<u>18,720</u>	<u>\$ -</u>	<u>(18,000)</u>	<u>720</u>
	<u>\$ 530,976</u>	<u>\$ 29,520</u>	<u>\$ (90,024)</u>	<u>\$ 470,472</u>

	December 31,			December 31,
	<u>2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>2021</u>
Leases of facilities	\$ -	\$ 326,398	\$ (93,750)	\$ 232,648
Leases of equipment	-	342,833	(63,225)	279,608
Leases of vehicles	<u>-</u>	<u>\$ 37,688</u>	<u>(18,968)</u>	<u>18,720</u>
	<u>\$ -</u>	<u>\$ 706,919</u>	<u>\$ (175,943)</u>	<u>\$ 530,976</u>

Annual payment requirements for the leases through maturity are as follows:

For the year ending	Principal	Interest	Total
December 31,			
2023	\$ 116,567	\$ 9,431	\$ 125,998
2024	133,404	6,539	139,943
2025	136,446	3,491	139,937
2026	67,723	1,087	68,810
2027	16,332	38	16,370
Thereafter	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 470,472</u>	<u>\$ 20,586</u>	<u>\$ 491,058</u>

NOTE 7 - DEFERRED OUTFLOWS OF RESOURCES

In 2010, SEDA entered into an agreement with Gulfstream under which SEDA committed \$2,500,000 to aid in Gulfstream's expansion. The project was completed in September 2012, and the deferred outflow of resources for SEDA totaled \$1,752,392. SEDA will receive payments from Gulfstream for 20 years in lieu of Gulfstream paying property taxes. Amortization began in September 2012 and will continue over the established payment period of 20 years. Amortization expense related to these deferred outflows of resources totaled \$87,620 for each of the years ended December 31, 2022 and 2021, and the net value was \$846,990 and \$934,609, respectively, at December 31, 2022 and 2021.

In 2022, SEDA entered into an agreement with Chatham County under which the County awarded SEDA \$3,125,766 in Georgia Department of Transportation Local Maintenance Improvement Grant (LMIG) funds to assist SEDA in the construction of a road that services an industrial park. SEDA expended these LMIG funds and additional operating funds of \$2,850,234 in 2022 related to the construction of the road. SEDA entered into an agreement with a developer of the industrial park in which SEDA will receive payments from the developer for 10 years in lieu of the developer paying property taxes. SEDA has recorded \$2,850,234 as deferred outflows of resources related to this agreement. Amortization will begin in 2023 and will continue over the established payment period of 10 years.

NOTE 8 - INVESTMENTS

As of December 31, 2022 and 2021, SEDA had total investments worth \$22,339,095 and \$26,333,695, respectively. Custodial credit risk for investments is the risk that, in the event of failure of the counterparty, SEDA will not be able to recover the value of its investments. Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. SEDA maintains an investment policy with portfolio guidelines to mitigate these risks. SEDA's investments in debt securities have an average credit quality rating of A1 as of December 31, 2022 and 2021.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. SEDA has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rates. Investments are presented in the financial statements at published fair market values.

Investments are composed of the following:

<u>December 31, 2022</u>	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Gains/(Losses)</u>
Common stocks	\$ 6,386,332	\$ 8,100,347	\$ 1,714,015
Money funds	293,241	293,241	-
Bonds	11,362,071	10,620,539	(741,532)
Fixed income funds	<u>3,547,036</u>	<u>3,324,968</u>	<u>(222,068)</u>
	<u>\$ 21,588,680</u>	<u>\$ 22,339,095</u>	<u>\$ 750,415</u>

<u>December 31, 2021</u>	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Gains/(Losses)</u>
Common stocks	\$ 6,751,550	\$ 11,122,983	\$ 4,371,433
Money funds	199,435	199,435	-
Bonds	11,258,405	11,525,429	267,024
Fixed income funds	<u>3,355,411</u>	<u>3,485,848</u>	<u>130,437</u>
	<u>\$ 21,564,801</u>	<u>\$ 26,333,695</u>	<u>\$ 4,768,894</u>

At December 31, 2022, SEDA's investments had the following maturities:

	<u>Maturity Period</u>					
	<u>Total Fair Value</u>	<u>No Maturity</u>	<u>Less than 3 Months</u>	<u>4-12 Months</u>	<u>1-5 Years</u>	<u>6-10 Years</u>
Money funds	\$ 293,241		\$ 293,241			
Bonds	10,620,539			\$ 1,063,176	\$ 8,338,605	\$ 1,218,758
Fixed income funds	3,324,968	\$ 3,324,968				
Common stocks	<u>8,100,347</u>	<u>8,100,347</u>	-	-	-	-
Total investments	<u>\$ 22,339,095</u>	<u>\$ 11,425,315</u>	<u>\$ 293,241</u>	<u>\$ 1,063,176</u>	<u>\$ 8,338,605</u>	<u>\$ 1,218,758</u>

NOTE 9 - FAIR VALUE MEASUREMENTS

GAAP establishes a framework for measuring fair value and provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. 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 unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that SEDA has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the assets or liabilities;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

The following table sets forth by level, within the fair value hierarchy, the investment assets at fair value as of December 31, 2022 and December 31, 2021, respectively. As required by GAAP, assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

<u>Assets at Fair Value as of December 31, 2022</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common stocks	\$ 8,100,347			\$ 8,100,347
Money funds	293,241			293,241
Bonds		\$ 10,620,539		10,620,539
Fixed income funds	-	3,324,968	\$ -	3,324,968
Total	<u>\$ 8,393,588</u>	<u>\$ 13,945,507</u>	<u>\$ -</u>	<u>\$ 22,339,095</u>

<u>Assets at Fair Value as of December 31, 2021</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common stocks	\$ 11,122,983			\$ 11,122,983
Money funds	199,435			199,435
Bonds		\$ 11,525,429		11,525,429
Fixed income funds	-	3,485,848	\$ -	3,485,848
Total	<u>\$ 11,322,418</u>	<u>\$ 15,011,277</u>	<u>\$ -</u>	<u>\$ 26,333,695</u>

NOTE 10 - REAL PROPERTY HELD FOR SALE OR DEVELOPMENT

SEDA has real property available for sale or development located at Crossroads Business Park and the Savannah Chatham Manufacturing Center totaling \$11,636,021 and \$11,230,171 as of December 31, 2022 and 2021, respectively.

In November 2016, SEDA entered into an agreement with Chatham County under which SEDA agreed to aid in the purchase and development of certain tracts of land in Chatham County (Savannah Chatham Manufacturing Center), and Chatham County agreed to reimburse SEDA for the costs incurred with Special Purpose Local Option Sales Tax (SPLOST) funds. SEDA paid \$2,101,508, and Chatham County paid \$3,000,000 for the initial purchase of the property which is titled to SEDA.

Since the initial purchase in 2016, SEDA has incurred additional costs of \$29,036,558 related to the development of the property and received \$27,000,000 in reimbursement funds from Chatham County of which \$5,000,000 was paid back to Chatham County as part of the intergovernmental agreement to provide funds for The Savannah Harbor-Interstate 16 Corridor Joint Development Authority. As of December 31, 2022 and 2021, SEDA has included net costs of \$5,453,498 and \$5,418,830, respectively, in relation to the purchase and development of these land tracts in real property held for sale or development in the accompanying consolidated financial statements. This valuation is in accordance with the policy of recording real property held for sale or development at the lower of SEDA's cost or market value and is consistent with the understanding established with Chatham County.

During 2022, SEDA incurred costs of \$1,535,856 related to construction bonds related to the development of utilities, a water lift station and a road at the Savannah Chatham Manufacturing Center and this amount is included in deposits on the accompanying consolidated statement of net position at December 31, 2022.

NOTE 11 - GRANT AWARDS

On May 28, 2010, SEDA was authorized to borrow funds from the OneGeorgia Authority to provide a portion of the funding for the site preparation, infrastructure improvements, construction of the rail spur and other facilities relating to the acquisition, construction and equipping of the Mitsubishi Power Systems Americas, Inc. (Mitsubishi) facility in Chatham County, Georgia. The loan, which was in the form of an Economic Development, Growth and Expansion (EDGE) award, was for \$5,000,000 and for a term of 13 years. Disbursements from the total loan amount were passed to SEDA representing incurred actual costs. This agreement has an interest rate of one percent per annum. The loan is being repaid by SEDA in equal annual installments, solely from the payments in lieu of tax (PILOT) payments received from Mitsubishi.

SEDA requested, received and disbursed a total of \$5,000,000 of loan funds related to site preparation, water and sewer connections, rail construction and professional services expense for the Mitsubishi site. Mitsubishi began making required payments to SEDA in 2014. SEDA receives annual payments from Mitsubishi per the payment schedule and SEDA subsequently remits loan payments to OneGeorgia. Due to the timing of these payment receipts and disbursements, there may be a receivable or payable recorded related to this agreement at year end.

There is a balance receivable of \$573,820 and a balance payable of \$504,167 related to this agreement in the accompanying consolidated financial statements as of December 31, 2022. There is a balance receivable of \$573,820 and a balance payable of \$510,000 related to this agreement in the accompanying consolidated financial statements as of December 31, 2021.

On March 21, 2018, SEDA was awarded a OneGeorgia Authority Equity Fund Award of \$900,000 to be used for a water tank and fire suppression infrastructure at the east campus of the Savannah Airport. There were no transactions related to this award during the years ended December 31, 2022 and 2021. The total grant award has been received and expended in prior years, and the award is expected to be closed once the grantor performs the final site visit.

NOTE 11 - GRANT AWARDS (continued)

On March 26, 2019, SEDA was awarded a OneGeorgia Authority Regional Economic Business Assistance (REBA) Award of \$1,500,000 to be used for machinery and equipment at a Chatham County logistical center. There were no transactions related to this award during the years ended December 31, 2022 and 2021. The total grant award has been received and expended in prior years, and the award is expected to be closed once the award period is over.

On December 10, 2019, SEDA was awarded a OneGeorgia Authority REBA Award of \$1,000,000 to be used for machinery and equipment at a Chatham County logistical center. In 2020, \$999,636 was requested related to the project and was subsequently disbursed by OneGeorgia. There were no transactions related to this award during the years ended December 31, 2022 and 2021. The total grant award has been received and expended in prior years, and the award is expected to be closed once the award period is over.

In November 2019, SEDA entered into an agreement with the Georgia Department of Community Affairs (DCA), in which \$400,000 was appropriated for a preliminary needs assessment for the development of a Savannah logistics innovation hub. In 2020, SEDA requested \$154,522 from DCA related to this agreement and this amount was subsequently received from DCA. In 2022 and 2021, SEDA requested \$128,214 and \$90,431, respectively, from DCA related to this agreement and these amounts were subsequently received from DCA.

In November 2020, SEDA was awarded a \$6,500,000 loan from the Georgia Environmental Finance Authority (GEFA) to develop the water and drainage infrastructure, including a water tower, at the Bloomingdale Industrial Development Park in west Chatham County. The loan bears interest of 1.22% and has a term of fifteen years from the date of the first required principal payment. SEDA executed the loan in 2021 and began withdrawing funds in 2022. SEDA has agreed to administer the GEFA loan, manage the construction project and contribute \$221,403 of SEDA funds to the project. Developers of the industrial park agreed to reimburse SEDA for the costs of the project and to repay the GEFA loan.

In 2021, SEDA incurred costs of \$2,227,442 related to this project and received \$2,923,087 from developers for the project. At December 31, 2021, there are amounts payable totaling \$1,082,197 included in accounts payable on the consolidated statement of net position related to this project, made up of \$579,124 payable to vendors for costs incurred and \$503,073 related to unspent funds received from developers. At December 31, 2021, there is \$2,164,355 in restricted cash on the accompanying consolidated statement of net position related to funds restricted for this project.

In 2022, SEDA incurred costs of \$4,987,034 related to this project and withdrew \$3,830,283 in GEFA loan funds. At December 31, 2022, there are amounts receivable from developers of \$4,067,266 included in accounts receivable on the consolidated statement of net position related to this project. At December 31, 2022, there is \$3,184,153 in restricted cash on the accompanying consolidated statement of net position related to funds restricted for this project.

NOTE 12 - RETIREMENT PLAN

SEDA sponsors a defined contribution 401(k) plan and matches employee contributions to the Plan up to 6% of each employee's compensation. Employees must be over the age of 21 with six months of service to receive the matching contribution. These contributions are made each pay period based on each participating employee's elected deferral amount. Expenses related to the plan totaled \$99,256 and \$99,395 for the years ended December 31, 2022 and 2021, respectively.

NOTE 13 - TRANSACTIONS WITH RELATED PARTIES

In 1998, SEDA entered into a partnership with Lummus Properties Corporation (Lummus) for the purchase, development, sale or lease, and management of specified sites located at Crossroads Business Center. On April 4, 2012, SEDA and Lummus held 100% ownership of Crossroads Partners and agreed to dissolve it. As a part of the termination agreement, SEDA paid Lummus \$165,000, and Lummus released all of its ownership in the property to SEDA. Under a separate agreement established on April 4, 2012, SEDA leased a portion of the Crossroads property to Lummus through the end of 2021 when legal ownership of the 12.81 leased acres transferred to Lummus.

SEDA is the owner of ten units of and is the sole member of SEDA I, LLC, a Georgia Limited Liability Company formed April 18, 2007. The President and CEO of SEDA serves as the Manager of SEDA I, LLC. SEDA I, LLC owns ten percent of Northpoint Office Center II, LLC and Northpoint Office Center III, LLC which lease property from SEDA (Crossroads Business Center). In November 2012, SEDA entered into an agreement with Northpoint Office Center V, LLC in which SEDA contributed 3.15 acres of the property held for sale in exchange for fifteen percent ownership in Northpoint Office Center V, LLC. SEDA assigned the ownership to SEDA I, LLC. Thus, all income related to this agreement will flow through SEDA I, LLC.

There are certain members of the Board of Directors of SEDA who provide paid services at market rates to SEDA.

The Savannah Harbor-Interstate 16 Corridor Joint Development Authority (the JDA) was formed in late 2014 and incorporated in 2015. The JDA members include SEDA as the Chatham County economic development authority along with the economic development authorities of the Georgia counties of Bryan, Bulloch, and Effingham. SEDA made grants of \$144,153 and \$47,385 to the JDA during 2022 and 2021, respectively, and is also responsible for the administration of the JDA. As of December 31, 2022 and 2021, a net receivable of \$610,641 and \$7,908, respectively, from the JDA is included in SEDA's consolidated statements of net position.

World Trade Center Savannah, LLC (WTCSav), wholly owned by SEDA, is consolidated in the SEDA financial statements as of December 31, 2022 and 2021. The following are included in the SEDA consolidated financial statements for WTCSav:

	<u>December 31,</u>	
	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and cash equivalents - WTCSav	\$ 1,176,199	\$ 786,481
Accounts receivable	31,650	31,862
Total assets	<u>\$ 1,207,849</u>	<u>\$ 818,343</u>
LIABILITIES		
Accounts payable	\$ 3,007	\$ 2,491
Total liabilities	<u>3,007</u>	<u>2,491</u>
DEFERRED INFLOWS OF RESOURCES	<u>80,429</u>	<u>73,010</u>
NET POSITION		
SEDA contribution	6,339	(143,509)
Retained earnings	<u>1,118,074</u>	<u>886,351</u>
Total net position	<u>1,124,413</u>	<u>742,842</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 1,207,849</u>	<u>\$ 818,343</u>

NOTE 13 - TRANSACTIONS WITH RELATED PARTIES (continued)

	For the years ended	
	<u>December 31,</u>	
	<u>2022</u>	<u>2021</u>
Revenues - WTCSav	\$ 474,766	\$ 418,131
Expenses - WTCSav	<u>(211,441)</u>	<u>(98,032)</u>
Net income before allocations	<u>263,325</u>	<u>320,099</u>
Allocated expenses		
Direct allocation	(222,388)	(214,464)
Indirect allocation	<u>(178,130)</u>	<u>(178,576)</u>
Total allocations	<u>(400,518)</u>	<u>(393,040)</u>
Net loss after allocations	<u>\$ (137,193)</u>	<u>\$ (72,941)</u>

Draft 4.27.2023

SUPPLEMENTARY INFORMATION

Draft 4.27.2023

SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY

SCHEDULE OF EXPENDITURES OF ONEGEORGIA AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2022

<u>Contract title</u>	<u>Contract number and period</u>	<u>Contract revenues</u>	<u>Contract expenses</u>	<u>Contract receivable at 12/31/22</u>	<u>Contract payable at 12/31/22</u>
Georgia Department of Community Affairs					
OneGeorgia Authority Equity Fund Award	18gq-025-3-4894 3/21/18 - 12/31/21	\$ -	\$ -	\$ -	\$ -
Georgia Department of Community Affairs					
OneGeorgia Authority Regional Economic Business Assistance (REBA) Award	19pd-025-3-4946 3/26/19 - 4/1/24	-	-	-	-
Georgia Department of Community Affairs					
OneGeorgia Authority Regional Economic Business Assistance (REBA) Award	20pd-025-3-4988 12/10/19 - 1/31/25	-	-	-	-
		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY
SOURCE AND APPLICATION OF FUNDS SCHEDULE
ONEGEORGIA AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>OneGeorgia Equity</u> <u>Fund Award</u> <u>18gq-025-3-4894</u>	<u>OneGeorgia</u> <u>REBA Award</u> <u>19pd-025-3-4946</u>	<u>OneGeorgia</u> <u>REBA Award</u> <u>20pd-025-3-4988</u>
Total award year 2022 funds allocated to recipient	\$ -	\$ -	\$ -
Less: Total award year 2022 funds drawn by recipient	<u>-</u>	<u>-</u>	<u>-</u>
Funds still available from award year 2022 resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total award year 2022 funds drawn and received by recipient in 2022	\$ -	\$ -	\$ -
Less: Funds applied and expended to award year 2022 costs	<u>-</u>	<u>-</u>	<u>-</u>
Total award year 2022 funds held by recipient	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY
PROJECT COST SCHEDULE
ONEGEORGIA AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

<u>Award</u>	<u>Project Activity</u>	<u>Activity Number</u>	<u>Latest Approved Budget OneGeorgia Funds</u>	<u>Accumulative Expenditures To Date OneGeorgia Funds</u>	<u>Accumulative Expenditures To Date Other Funds</u>	<u>Grand Total Expenditures to Date</u>
OneGeorgia Equity Fund Award 18gq-025-3-4894	Fire Protection Facilities	G70-1413-I	\$ 900,000	\$ 900,000	\$ 56,676,148	\$ 57,576,148
OneGeorgia REBA Award 19pd-025-3-4946	Purchase or Lease of Machinery & Equipment	G50-1501-I	\$ 1,500,000	\$ 1,500,000	\$ 35,229,544	\$ 36,729,544
OneGeorgia REBA Award 20pd-025-3-4988	Purchase or Lease of Machinery & Equipment	G50-1501-I	\$ 1,000,000	\$ 999,636	\$ 69,370,537	\$ 70,370,173
	Total		\$ 3,400,000	\$ 3,399,636	\$ 161,276,229	\$ 164,675,865

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Board of Directors of
Savannah Economic Development Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of the business-type activities of Savannah Economic Development Authority (SEDA), as of and for the year ended December 31, 2022, and the related notes to the consolidated financial statements, which collectively comprise SEDA's basic financial statements and have issued our report thereon dated May 1, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Holland, Bromley, Barnhill & Brett, LLP
Savannah, Georgia
May 1, 2023

Draft 4.27.2023

RESOLUTION

A RESOLUTION OF THE SAVANNAH ECONOMIC DEVELOPMENT
AUTHORITY APPROVING THE CONSOLIDATED MODIFICATION OF
BOND DOCUMENTS; AND FOR OTHER PURPOSES.

Dated: May 9, 2023

RESOLUTION

WHEREAS, the Savannah Economic Development Authority (the “Issuer”) has been created pursuant to the Constitution of the State of Georgia, specifically, but without limitation, the amendments to the Constitution of the State of Georgia contained in Ga. Laws 1951, page 854, *et seq.*, Ga. Laws 1965, page 675, *et seq.*, and Ga. Laws 1972, page 1569, *et seq.*; and those acts of the General Assembly contained in Ga. Laws 1925, page 1451, *et seq.*, Ga. Laws 1951, page 190, *et seq.*, Ga. Laws 1955, page 170, *et seq.*, Ga. Laws 1956, page 329, *et seq.*, Ga. Laws 1958, page 2459, *et seq.*, Ga. Laws 1967, page 2062, *et seq.*, Ga. Laws 1972, page 1186, *et seq.*, Ga. Laws 1975, page 3131, *et seq.*, Ga. Laws 1977, page 184, *et seq.*, Ga. Laws 1982, page 993, *et seq.*, and Ga. Laws 1989, page 47, *et seq.* (collectively, the “Act”), and is now existing and operating as a public body corporate and politic; and

WHEREAS, the Issuer was created for the purpose of developing industrial growth and expansion and for the purpose of making long range plans for the coordination of commerce, industry and traffic in the County of Chatham and the City of Savannah and promoting the general welfare of the State of Georgia; and

WHEREAS, pursuant to an Amended and Restated Trust Indenture dated as of September 1, 2009 (the “Indenture”), between the Issuer and Synovus Bank, formerly known as First Commercial Bank, as trustee (the “Trustee”), the Issuer has previously reissued \$5,725,000 in original aggregate principal amount Savannah Economic Development Authority Revenue Bonds (Saint Andrews School Project), Series 2008 (the “Bonds”); and

WHEREAS, pursuant to an Amended and Restated Loan Agreement, dated as of September 1, 2009 (the “Loan Agreement”), between the Issuer and Saint Andrews on the Marsh, Incorporated (the “Borrower”), the Issuer loaned the proceeds of the Bonds to the Borrower; and

WHEREAS, Synovus Bank, formerly known as Sea Island Bank (the “Purchaser”), purchased the Bonds and is the sole owner of the Bonds; and

WHEREAS, the Borrower delivered an Unconditional Guaranty, dated as of September 25, 2009 (the “Guaranty”) in favor of the Purchaser guaranteeing the payment of all amounts due under the Bonds; and

WHEREAS, the Bonds are payable solely from revenues and other security of the Borrower and are not direct obligations of the Issuer; and

WHEREAS, the Bonds bear interest at a variable rate based on a formula utilizing the London Interbank Offered Rate, commonly referred to as “LIBOR,” as a reference index; and

WHEREAS, in contemplation of the cessation of LIBOR on June 30, 2023, the Issuer, the Trustee, the Purchaser and the Borrower desire to amend the Indenture to provide for, in the manner as described herein, the replacement of LIBOR upon its cessation; and

WHEREAS, the Issuer, the Borrower and the Purchaser desire to make certain modifications to the Bonds, the Indenture, the Loan Agreement, the Guaranty and related

agreements (the “Bond Documents”) pursuant to a Consolidated Modification of Bond Documents, to be dated as of its date of execution and delivery (the “Modification”) in order to substitute the index which the Bonds bear interest from LIBOR to an appropriate substitution rate, whether now existing or subsequently developed, that is deemed approximately equivalent to LIBOR and other related adjustments and modifications as may be necessary and appropriate for the implementation and administration of the replacement index, and an effective date of the substitution rate (which could become immediately effective upon determination that LIBOR as a reference rate is no longer reliable or unascertainable or such other conditions set forth in such modification); and

WHEREAS, the Borrower and Synovus Bank, formerly known as Columbus Bank and Trust Company, as swap provider, entered into an interest rate swap transaction (the “Swap”) to hedge the risk of interest rate fluctuations, which Swap will also be amended contemporaneously with the delivery of the Modification to provide for the replacement of LIBOR upon its cessation (the “Swap Amendment”); and

WHEREAS, it is now necessary for the Issuer to approve such modifications and authorize the execution, delivery and performance thereof;

IT IS THEREFORE, DETERMINED AND RESOLVED BY THE SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY, THAT:

SECTION 1. AUTHORITY FOR BOND RESOLUTION. This Bond Resolution is adopted pursuant to the provisions of the Act.

SECTION 2. AUTHORIZATION OF MODIFICATION. The execution, delivery and performance of the Modification by and among the Issuer, the Borrower, the Purchaser and the Trustee be and the same are hereby authorized. The Modification shall be in substantially the form attached hereto as Exhibit “A,” subject to such minor changes, insertions or omissions as may be approved by the Chairman or Vice Chairman of the Issuer and the execution of the Modification by the Chairman or Vice Chairman and Secretary or Assistant Secretary of the Issuer as hereby authorized shall be conclusive evidence of any such approval.

SECTION 3. APPROVAL OF SWAP AMENDMENT. The Issuer hereby approves the Borrower amending the Swap by entering into the Swap Amendment.

SECTION 4. AUTHORIZATION OF EXECUTION OF OTHER CERTIFICATES AND OTHER INSTRUMENTS. From and after the execution and delivery of the documents hereinabove authorized, the proper officers, directors, agents and employees of the Issuer are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the intent of this Resolution and the provisions of said documents as executed and are further authorized to take any and all further actions and execute and deliver any and all other documents and certificates as may be necessary or desirable in connection with the Modification.

SECTION 5. NO PERSONAL LIABILITY. No representation, statement, covenant, warranty, stipulation, obligation or agreement herein contained, or contained in the modifications

authorized herein, or any certificate or other instrument to be executed on behalf of the Issuer in connection with such modifications shall be deemed to be a representation, statement, covenant, warranty, stipulation, obligation or agreement of any member, officer, employee or agent of the Issuer in his or her individual capacity, and none of the foregoing persons nor any member or officer of the Issuer executing the Modification or any documents or certificates relating thereto shall be liable personally thereon or be subject to any personal liability of or accountability by reason of the execution or delivery thereof.

SECTION 6. ACTIONS APPROVED AND CONFIRMED. All acts and doings of the officers of the Issuer which are in conformity with the purposes and intents of this Resolution and in the furtherance of the execution, delivery and performance of the Modification shall be, and the same hereby are, in all respects approved and confirmed.

SECTION 7. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions, and shall in no way affect the validity of any of the other provisions hereof.

SECTION 8. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

ADOPTED this 9th day of May, 2023.

(SEAL)

**SAVANNAH ECONOMIC DEVELOPMENT
AUTHORITY**

By: _____
Hugh K. Tollison
President & CEO

Attest:

By: _____
Secretary

Exhibit A

Form of Modification

SECRETARY’S CERTIFICATE

I, the undersigned Secretary of the Savannah Economic Development Authority (the “Issuer”), DO HEREBY CERTIFY, that the foregoing pages of typewritten matter pertaining to \$5,725,000 in original aggregate principal amount Savannah Economic Development Authority Revenue Bonds (Saint Andrews School Project), Series 2008, constitute a true and correct copy of the Resolution, adopted on May 9, 2023, by the directors of the Issuer in a meeting duly called and assembled, which was open to the public and at which a quorum was present and acting throughout, and that the original of said Bond Resolution appears of record in the Minute Book of the Issuer which is in my custody and control.

WITNESS my hand and the official seal of the Savannah Economic Development Authority, this 9th day of May, 2023.

Secretary
Savannah Economic Development Authority

(SEAL)