



SEDA Board of Directors Meeting Agenda
April 17, 2025
11:00 AM

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|-------------|---|-----------------|
| I. | Call to Order | Ford |
| II. | Approval of Minutes | Ford |
| | A. Approval of Minutes from February 11, 2025 Board Meeting | |
| III. | Financial Report | Ford |
| | A. Approval of January and February 2025 Financials | |
| | B. Presentation and Approval of Financial Audit | |
| IV. | President's Report | Tollison |
| V. | Comments for the Good of the Order | Ford |
| VI. | Adjourn | Ford |

**Proposed MINUTES
Savannah Economic Development Authority
Board Meeting
February 11, 2025
11:00 AM
SEDA BOARD ROOM**

PRESENT

Board of Directors: Al Scott, Ansley Williams Audrey King, Robert James, John Coleman, Kal Patel, Kay Ford, Kev Jackson Jr., Charles Roberson, Paul Mosley, Reed Dulany, Scott Center

SEDA Employees: Trip Tollison, Katelyn Satterthwaite, Jesse Dillon, Mark Sprosty, Angela Hendrix, Antwonnie Mohammed, Renee Leventis, Walker Dalton, Yvonne Wilemon, Ella Randall Lee, Liz Ely, Leigh Ryan, Anna Chafin, Chris Ahearn, Jennifer Collins, Justin Farquhar, Zach Ott

Guests: Scott Longe, Bill Lattimore, Xavier Miranda, Adam Fins, Trent Thompson, Michael Ruach, Sam McCachern, Salita Hill, John Thompson, Evan Lasseter, Mary Hatch, Lane Kenin, Jennifer Fordham, Jason Coley, Dorei Bacon, Mickey Daniell, Michael Kaigler, Liz Macfadyen, Carol Bell, Megan Pittman, Dr. Estella Shabazz, Karen Williams, Heath Lloyd, Zachary Dykes, Joseph Shearouse, Adam Van Brimmer, Sienna Elder, Ryan Purvis, Benjy Thompson, Kathryn Downs, Kewaan Drayton

Counsel: Jon Pannell

CALL TO ORDER

Chairperson Kay Ford called the meeting to order at 11:00 a.m. with thanking everyone for being here this morning.

Ms. Ford asked Katelyn Satterthwaite if the meeting was posted, and the media notified in accordance with the Georgia Open Meetings Law. Ms. Satterthwaite responded yes. She then asked Ms. Satterthwaite if there was a quorum present to which Ms. Satterthwaite responded yes.

Ms. Ford introduced SEDA's newest Board member Kevin Jackson, Jr. She thanked him for being here and welcomed him to the SEDA Board.

Ms. Ford also recognized elected officials in the room; Chairman Ellis, Nick Palumbo, and Chris Harmon by welcoming them and thanking them for joining us today.

Ms. Ford then asked everyone in the room to introduce themselves. Additionally Kay recognized the Mayor and City Manager of Pooler; Karen Williams and Heath Lloyd.

APPROVAL OF MINUTES

The minutes of the November 19, 2024 and January 23, 2025 Board of Directors Meeting were sent via an email notification to board members on Wednesday, February 5, 2025. There were no questions or comments. Ms. Ford asked the Board for a motion to approve the minutes.

MOTION was made by Scott Center to approve the minutes of the November 19, 2024 and January 23, 2025 Board of Directors Meeting. The motion was seconded by John Coleman. The board approved the motion by unanimous vote.

APPROVAL OF FINANCIALS

The SEDA financial statements for October, November and December 2024 were sent via an email notification to board members on Wednesday, February 5, 2025. Ms. Ford called on Mark Sprosty for comments on the financials.

Mark reminded the group that the financials presented are subject to audit review. The financial audit will be completed and presented at the April Board meeting for approval. The October 2024 Statement of Assets, Liabilities & Net Assets records \$12m in operating cash, a slight increase from September. The Veterans Parkway account received \$1.3m in PILOT fees in October of which most will be paid to the City of Savannah for bond payments related to the interchange. The market value of investments decreased \$440k, bringing the balance to \$27m as of October 31. Deferred income balance is \$3.3m at the end of October. This represents the amount of billing that has been invoiced but not yet recognized. The October 2024 Statement of Revenues & Expenses records a net income of \$217k for the month. Net ordinary income was \$622k and non-operating loss was \$405k due to the loss on investments. Year to date (YTD) net ordinary income is nearly \$2.7m after ten months of operations, YTD non-operating income is \$2.2m creating a total net income of \$4.9m. The November 2024 Statement of Assets, Liabilities & Net Assets records \$10.6m in operating cash, a decrease of \$1.2m from October. Cash collected during the month was \$87k and disbursements were \$1.3m, half of which was for the water tower at SMC. The market value of investments increased \$647k in November. The account value at month end is \$27.6m. Deferred income balance is \$3.5m at the end of November. This represents the amount of billing that has been invoiced but not yet recognized. The November 2024 Statement of Revenues & Expenses records net ordinary income of \$629k and non-operating revenue was \$680k making the total net income \$1.3m in November. YTD net ordinary income is \$3.2m after eleven months of operations. YTD non-operating income is just under \$3m and YTD net income is \$6.2m. The December 2024 Statement of Assets, Liabilities & Net Assets records \$9.6m in operating cash. The decrease of \$970k from previous month includes collections of \$1.2m and disbursements including PILOT payables to Chatham County and City of Savannah funds. The market value of investments decreased \$494k and ended the year at \$27m. PILOT payable decreased for the above-mentioned disbursements. The December 2024 Statement of Revenues & Expenses records a \$447k net income for the month. Net ordinary income was \$644k and non-operating loss was \$197k for the month. YTD ordinary income is \$3.9m and YTD non-operating revenue is \$2.7m with a YTD net income for 2024 at \$6.7m. There were no questions or comments. Ms. Ford asked the Board for a motion to approve the financials.

MOTION was made by Ansley Williams to approve the SEDA financial statements for October, November and December 2024. The motion was seconded by Bob James. The board approved the motion by unanimous vote.

NOMINATING COMMITTEE REPORT AND APPROVAL

Ms. Ford presented SEDA's nominee for appointment, Brent Watts. Brent is the founder of Cabretta Capital Corporation and serves as its President. Brent started at a boutique Tax Credit Syndicator based in Atlanta. After 10 years, he returned to Savannah to start Cabretta Capital. Brent is extremely knowledgeable related to tax credits and affordable / workforce / low-income housing. Brent is from Savannah, GA and graduated from Benedictine Military School. He holds a BBA in Finance with a concentration in Real Estate from the University of Alabama. Ms. Ford asked the Board for a motion to approve SEDA's nominee, Brent Watts, to the SEDA Board of Directors.

MOTION was made by Scott Center to approve Brent Watts to the SEDA Board. The motion was seconded by Bob James. The board approved the motion by unanimous vote.

PRESIDENT'S REPORT

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

A. Employee Announcements

Trip Tollison introduced and welcomed Ella Randall Lee as SEDA's newest team member. Ella Randall was a World Trade Center intern this past summer. She graduated from UGA with a master's in integrated advertising and public relations and her BA in public relations. Ella Randall is SEDA's new Research and Marketing Coordinator. Trip announced that Angela Hendrix has been promoted to Chief Marketing and Public Affairs Officer. Everyone applauded and congratulated both.

B. Housing Study Update

Trip Tollison introduced Sam McCachern, from Thomas & Hutton, who spoke briefly on the Coastal Housing Needs Assessment. The study focused on the four counties Bryan, Bulloch, Chatham and Effingham. Today's discussion will focus mostly on Chatham County. Sam introduced Betsy McGriff, with Georgia Tech, and Lynn Patterson with Three Points Planning who joined the meeting virtually. Betsy reintroduced the project team, explaining that she and Lynn are also working with Michael Roach at T&H. The scope of work was reviewed, and the future impact simulation forecast was shown for all four counties. Chatham County forecast is for an additional 5,179 in population, 2,367 new households and 1,538 new k-12 students. The median household income in Chatham County is \$66,171 with the affordable home price of \$204,995 and the average home value of \$315,581. Rental unit affordability with the median household income of \$66,171 is \$1,654 affordable monthly rent with the median rent being \$1,284. A one earner family affordable rent is \$1,407, and a two-earner family affordable rent is \$2,560. There is a 24% rental vacancy. The average home is on the market for 53 days, with a two-month supply inventory and a -48% change in days on the market. Total population projection for Chatham County is 323,875. The projected household total is projected to be 134,948, with total housing units needed equaling 151,816 resulting in a projected 17,616 eight-year unit deficit in Chatham County. Current development standards, including zoning, directly impact affordability. Potential solutions include permitting density bonuses, simplifying zoning districts, increasing missing middle housing options, and expanding City of Savannah programs and initiatives county-wide. Michael Roach spoke on the regional water infrastructure analysis, regional wastewater infrastructure analysis, regional transportation infrastructure analysis, and the regional stormwater infrastructure analysis by providing aerial diagrams of the four counties. Bob James asked; when is the complete study expected to be done and ready for review? March 2025 the full study is projected to be completed. There were no further questions or comments.

C. Regional Surface Water Project

Trip skipped ahead to regional water to further explain what Michael was discussing. An aerial of the region was presented with the proposed water lines that will be constructed to supply water to the area. The cost allocation for the project was shown. Total cost will be \$538,825,278, with \$269,200,000 coming from GEFA loans and \$269,625,278 coming from state directed investment (SDI). It is expected that in five to seven years regional water will be supplied to the HMGMA site. There were no other questions or comments.

D. Project HydroFleet

Trip Tollison called on Jesse Dillon to present on Project HydroFleet. Jesse thanked Caleb Kitchings for all his hard work on this project. HydroFleet is investing \$33 million in Pooler for a hydrogen production and fueling facility. The facility will service zero emission heavy trucks powered by hydrogen fuel. HydroFleet, founded in 2016, is a national specialized hydrogen equipment and hydrogen fuel supplier. The facility will initially refuel seven to fourteen trucks a day with the capacity of fifty trucks a day. Hydrogen powered fleets are quiet, efficient and have low maintenance with zero emission. HMGMA with Glovis America has deployed Hyundai XCIENT heavy-duty fuel-cell electric trucks from clean logistics operations. There were no questions or comments.

E. SPLOST VII IGA

Should the total SPLOST Revenue for SPLOST VII exceed \$430,000,000 then the funds in excess of \$430million shall be distributed to SEDA for a total distribution of \$10million should such funds be collected. Such funds were collected and SEDA is in receipt of the \$10million distribution. ~\$5million of the \$10million will be allocated to SCMC for improvements for road, water and sewer to sites K, L, and I. An aerial view of SCMC was shown highlighting those three sites. The estimated cost total is \$4,951,173.36. Further discussion will be had on how the other ~\$5million will be spent. There were no questions or comments.

F. Vision 2033 Study Plan

Trip Tollison welcomed Steve Green to present on Vision 2033. Approaching the 300th anniversary of the founding of Savannah-Chatham, which is recognized as the first planned city in America. Vision 2033 will be focused on strategic planning, community-wide planning, and action initiatives resulting in growth and development of a unique community. The city is poised for unprecedented growth and opportunity over the next ten years. \$1 million approved and allocated by Savannah City Council. Chatham County has committed \$1 million. Looking to secure the previously pledged business communities' investment of \$1 million. The request today is for approval of SEDA's pledge to fund two hundred and fifty thousand dollars (\$250,000) to develop, prepare and publish the 2033 Strategic Plan. The County, City and SEDA will work as partners to create Strategic Initiative 2033, Inc., for purposes to help develop, help create and publish the 2033 Strategic Initiative, to set up a governance structure to implement the 2033 Strategic Initiative and to oversee its recommendations, and to form a Community Advisory Board to ensure comprehensive community participation and offer technical advice. Several other commitments were previously pledged by Colonial Group, Georgia Power, Dulany Industries and Gulfstream to reach the \$1million investment from the business community. It was asked if any staff are in place. There is no staff or office space established currently. Hunter Maclean is working on obtaining a 501(c) (3) for the organization. Steve mentioned that the approval today is also needed so SEDA can hold the funds from the City and County. There were no further questions or comments.

G. WTC Savannah Board Member Appointments

The World Trade Center Savannah is seeking SEDA Board approval to reappoint Joyce Roché, Marty Hogan, Laura Moore, Scott Center, Kate Karwacki, Malissa MacKay, Dr. Joseph Silver as well as nominate Lynn Brennan and Joey Strength to the WTC Savannah Board. There were no questions or comments.

H. Board Disclosure

Trip explained to the board that two of the cubicles' downstairs have been reconfigured. In compliance with the Official Code of Georgia Annotated §36-62A-1(a)(2), the Savannah Economic Development Authority ("SEDA") gives notice that it will contract with National Office Systems, in which Scott Center, one of SEDA's board members, on a matter involving in excess of \$200. There were no questions or comments.

I. Annual Meeting Video of Ansley dancing

The video of Ansley Williams dancing at the SEDA annual meeting was shown. All enjoyed the video and applauded.

ACTION ITEMS

Ms. Ford thanked Trip for the President's report. There are three action items needing approval.

A. Approval of Vision 2033

This was presented earlier and also discussed in detail with Executive Committee previously. Executive Committee has approved this and is now looking for full Board approval. A copy of the MOU agreement was sent via an email notification to board members on Wednesday, February 5, 2025. There were no further questions or comments. Ms. Ford asked the Board for a motion to approve the Vision 2033 MOU.

MOTION was made by Bob James to approve the Vision 2033 agreement. The motion was seconded by Kal Patel. The board approved the motion by unanimous vote.

B. Approval of SPLOST VII IGA

This was presented earlier and also discussed in detail with Executive Committee previously. Executive Committee has approved this and is now looking for full Board approval. A copy of the IGA was sent via an email notification to board members on Wednesday, February 5, 2025. There were no further questions or comments. Ms. Ford asked the Board for a motion to approve the SPLOST VII IGA.

MOTION was made by Paul Mosley to approve the SPLOST VII IGA. The motion was seconded by Scott Center. The board approved the motion by unanimous vote.

C. Approval of WTC Savannah Board Appointee

This was presented earlier. There were no questions or comments. Ms. Ford asked the Board for a motion to approve the reappointment of Joyce Roché, Marty Hogan, Laura Moore, Scott Center, Kate Karwacki, Malissa MacKay, Dr. Joseph Silver as well as nominate Lynn Brennan and Joey Strength to the WTC Savannah Board.

MOTION was made by Paul Mosley to approve the WTC Savannah Board appointees. The motion was seconded by John Coleman. Scott Center abstained. The board approved the motion.

NEXT MEETING

Kay reminded the group that the next SEDA Board meeting will be held April 17, 2025, at SEDA.

FOR THE GOOD OF THE ORDER

There being no further business, the meeting was adjourned.

Respectfully submitted,

Katelyn Satterthwaite
Assistant Secretary



**Management Analysis for Board of Directors
January 2025**

The January 2025 Statement of Assets, Liabilities & Net Assets records \$15m in Operating Cash. There was an increase of \$5m from December due to the collection of \$6m of annual revenues and paying \$1m of expenses. Funds held for the Veterans Parkway Project decreased by \$1m from payment of PILOT to City of Savannah and PILOT Payable decreased also.

Accounts Receivable increased \$5.3m during the month to a total of \$10m ending balance.

Real Property Held for Investment increased \$218k for continued construction on the Water Tower in SCMC.

Accounts Payable increased \$741k during the month to a total of \$1.2m ending balance.

Deferred Income increased to \$10m due to 2025 Infrastructure Fees invoiced at the beginning of the year.

The January 2025 Statement of Revenues & Expenses records \$282k Net Income. Net Ordinary Loss for the month was \$253k due to the annual contribution to RISE. Non-Operating Revenue was \$535k.

SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY
Statement of Assets, Liabilities & Net Assets
As of January 31, 2025

	Jan 31, 25	Dec 31, 24	\$ Change	Jan 31, 24	\$ Change
ASSETS					
Current Assets					
Checking/Savings					
OPERATING CHECKING & MM ACCTS	14,746,881.41	9,671,036.58	5,075,844.83	10,243,097.79	4,503,783.62
SOUTH STATE VETERANS PKWY CKI...	1,508,872.94	2,533,916.46	-1,025,043.52	574,745.82	934,127.12
UNITED COMMUNITY BANK GEFA	888,354.29	910,601.74	-22,247.45	3,884,906.35	-2,996,552.06
Total Checking/Savings	17,144,108.64	13,115,554.78	4,028,553.86	14,702,749.96	2,441,358.68
Accounts Receivable	10,235,009.93	4,911,795.49	5,323,214.44	9,094,877.39	1,140,132.54
Other Current Assets					
A/R-MISCELLANEOUS	3,325,112.36	3,264,198.81	60,913.55	3,517,906.31	-192,793.95
DEPOSITS	595,044.50	595,044.50	0.00	1,535,855.83	-940,811.33
INVESTMENTS @ MKT VALUE	27,686,271.59	27,182,054.56	504,217.03	25,265,336.01	2,420,935.58
PREPAID EXPENSES	54,502.90	38,094.40	16,408.50	62,888.90	-8,386.00
Undeposited Funds	0.00	0.00	0.00	240,381.11	-240,381.11
Total Other Current Assets	31,660,931.35	31,079,392.27	581,539.08	30,622,368.16	1,038,563.19
Total Current Assets	59,040,049.92	49,106,742.54	9,933,307.38	54,419,995.51	4,620,054.41
Fixed Assets					
ACCUMULATED DEPRECIATION	-1,201,181.65	-1,173,947.42	-27,234.23	-907,562.09	-293,619.56
BUILDINGS	7,255,331.17	7,255,331.17	0.00	7,255,331.17	0.00
FURNITURE & EQUIPMENT	730,878.07	730,878.07	0.00	734,938.71	-4,060.64
LAND AND LAND IMPROVEMENTS	1,200,000.00	1,200,000.00	0.00	1,200,000.00	0.00
VEHICLES	254,767.28	254,767.28	0.00	254,767.28	0.00
Total Fixed Assets	8,239,794.87	8,267,029.10	-27,234.23	8,537,475.07	-297,680.20
Other Assets					
AMORTIZATION OF DEFERRED COST	-1,483,811.93	-1,460,672.73	-23,139.20	-1,206,176.73	-277,635.20
DEFERRED COSTS	4,602,625.93	4,602,625.93	0.00	4,602,625.93	0.00
INVESTMENT IN SEDA I, LLC	936,188.62	927,967.07	8,221.55	838,136.22	98,052.40
LEASED ASSETS	1,003,770.63	1,003,770.63	0.00	734,627.73	269,142.90
LEASED ASSETS - AMORTIZATION	-497,155.24	-484,843.54	-12,311.70	-349,533.61	-147,621.63
OTHER RECEIVABLE	10,000,000.00	10,000,000.00	0.00	5,210,289.70	4,789,710.30
REAL PROP.HELD-SALE/DEVELOPMENT	17,170,260.15	16,952,270.15	217,990.00	15,039,558.88	2,130,701.27
Total Other Assets	31,731,878.16	31,541,117.51	190,760.65	24,869,528.12	6,862,350.04
TOTAL ASSETS	99,011,722.95	88,914,889.15	10,096,833.80	87,826,998.70	11,184,724.25

SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY
Statement of Assets, Liabilities & Net Assets
As of January 31, 2025

	Jan 31, 25	Dec 31, 24	\$ Change	Jan 31, 24	\$ Change
LIABILITIES & EQUITY					
Liabilities					
Current Liabilities					
Accounts Payable					
ACCOUNTS PAYABLE	1,201,868.95	461,056.63	740,812.32	1,673,054.78	-471,185.83
Total Accounts Payable	1,201,868.95	461,056.63	740,812.32	1,673,054.78	-471,185.83
Credit Cards	54,534.85	31,067.69	23,467.16	56,653.49	-2,118.64
Other Current Liabilities					
A/P-MISCELLANEOUS	1,685,928.04	1,816,441.39	-130,513.35	251,531.36	1,434,396.68
ACCRUED EXPENSES	1,703,050.13	1,649,948.13	53,102.00	1,930,048.13	-226,998.00
DEFERRED INCOME	13,400,730.44	3,205,970.45	10,194,759.99	9,722,017.21	3,678,713.23
PILOT/VPILT PAYABLE	46,531.25	1,076,104.75	-1,029,573.50	77,000.00	-30,468.75
RETAINAGE PAYABLE	40,000.00	40,000.00	0.00	40,000.00	0.00
UNITED WAY PAYABLE	1,075.18	979.88	95.30	1,784.30	-709.12
Total Other Current Liabilities	16,877,315.04	7,789,444.60	9,087,870.44	12,022,381.00	4,854,934.04
Total Current Liabilities	18,133,718.84	8,281,568.92	9,852,149.92	13,752,089.27	4,381,629.57
Long Term Liabilities					
DEFERRED INTERCHANGE COSTS	409,665.89	405,135.91	4,529.98	421,898.72	-12,232.83
GEFA LOAN PAYABLE	3,556,846.38	3,576,506.81	-19,660.43	3,791,458.18	-234,611.80
LEASE LIABILITY	491,728.58	514,041.76	-22,313.18	370,051.30	121,677.28
Total Long Term Liabilities	4,458,240.85	4,495,684.48	-37,443.63	4,583,408.20	-125,167.35
Total Liabilities	22,591,959.69	12,777,253.40	9,814,706.29	18,335,497.47	4,256,462.22
Equity					
NET ASSETS-INVSTD IN CAP ASSETS	8,271,914.43	8,271,914.43	0.00	8,567,303.18	-295,388.75
NET ASSETS-UNRESTRICTED	67,865,721.32	61,179,203.32	6,686,518.00	60,883,814.57	6,981,906.75
Net Income	282,127.51	6,686,518.00	-6,404,390.49	40,383.48	241,744.03
Total Equity	76,419,763.26	76,137,635.75	282,127.51	69,491,501.23	6,928,262.03
TOTAL LIABILITIES & EQUITY	99,011,722.95	88,914,889.15	10,096,833.80	87,826,998.70	11,184,724.25

SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY
Statement of Revenues & Expenses - Actual vs. Budget
January 2025

	Jan 25	Budget	\$ Over Budget	Jan 25	YTD Budget	\$ Over Budget	Annual Budget
Ordinary Income/Expense							
Income							
BOND FEES	18,499.44	18,500.00	-0.56	18,499.44	18,500.00	-0.56	222,000.00
FOREIGN TRADE ZONE REVENUE	18,959.00	20,200.00	-1,241.00	18,959.00	20,200.00	-1,241.00	242,500.00
INFRASTRUCTURE FEES	1,010,318.73	1,048,750.00	-38,431.27	1,010,318.73	1,048,750.00	-38,431.27	12,585,000.00
MISCELLANEOUS INCOME	1,250.00	1,250.00	0.00	1,250.00	1,250.00	0.00	15,000.00
RENTAL INCOME - OTHER	0.00	410.00	-410.00	0.00	410.00	-410.00	5,000.00
TRADE SERVICES INCOME	17,426.00	22,910.00	-5,484.00	17,426.00	22,910.00	-5,484.00	275,000.00
Total Income	1,066,453.17	1,112,020.00	-45,566.83	1,066,453.17	1,112,020.00	-45,566.83	13,344,500.00
Gross Profit	1,066,453.17	1,112,020.00	-45,566.83	1,066,453.17	1,112,020.00	-45,566.83	13,344,500.00
Expense							
ADMIN. OPERATING EXPENSES	330,437.85	390,410.00	-59,972.15	330,437.85	390,410.00	-59,972.15	4,746,500.00
ASSESSMENTS-CROSSROADS OWNE...	20,143.99	21,000.00	-856.01	20,143.99	21,000.00	-856.01	21,000.00
DEPRECIATION & AMORTIZATION	62,685.13	65,500.00	-2,814.87	62,685.13	65,500.00	-2,814.87	781,000.00
ENG,ENV,MITIGATION,SURVEY,LEGAL	235.25	29,100.00	-28,864.75	235.25	29,100.00	-28,864.75	350,000.00
INTEREST EXPENSE	1,192.28	420.00	772.28	1,192.28	420.00	772.28	5,000.00
PROPERTY MAINTENANCE	16,969.35	9,200.00	7,769.35	16,969.35	9,200.00	7,769.35	110,000.00
SALES,MKT,PR,RES,PROJ MGT EXP.	887,965.02	1,172,650.00	-284,684.98	887,965.02	1,172,650.00	-284,684.98	4,680,000.00
Total Expense	1,319,628.87	1,688,280.00	-368,651.13	1,319,628.87	1,688,280.00	-368,651.13	10,693,500.00
Net Ordinary Income	-253,175.70	-576,260.00	323,084.30	-253,175.70	-576,260.00	323,084.30	2,651,000.00
Other Income/Expense							
Other Income							
NON-OPERATING REVENUE(EXPENSE)	535,303.21	32,400.00	502,903.21	535,303.21	32,400.00	502,903.21	740,000.00
Total Other Income	535,303.21	32,400.00	502,903.21	535,303.21	32,400.00	502,903.21	740,000.00
Net Other Income	535,303.21	32,400.00	502,903.21	535,303.21	32,400.00	502,903.21	740,000.00
Net Income	282,127.51	-543,860.00	825,987.51	282,127.51	-543,860.00	825,987.51	3,391,000.00



**Management Analysis for Board of Directors
February 2025**

The February 2025 Statement of Assets, Liabilities & Net Assets records \$21m Operating Cash. \$8.5m was collected in February. \$1.6m was disbursed during the month, including the RISE contribution that was recorded as an expense in January.

Accounts Receivable decreased \$1m during the month and shows an ending balance of \$9m.

The market value of investments increased \$60.7m in February with all but \$82k from additional funds coming from the sale of property in Crossroads Business Park. The balance on February 28, 2025 is \$88.4m.

Accounts Payable decreased \$738k during the month to a \$464k ending balance.

Deferred Income decreased to \$12.6m, representing the amount of billing that has been invoiced but not yet recognized.

The February 2025 Statement of Revenues & Expenses records \$83k Net Ordinary Loss for the month mainly due to the 2025 Trolley Tour Road Show sponsorship. Non-Operating Income was \$60.8m mainly from property sale noted above.

SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY
Statement of Assets, Liabilities & Net Assets
As of February 28, 2025

	Feb 28, 25	Jan 31, 25	\$ Change	Feb 29, 24	\$ Change
ASSETS					
Current Assets					
Checking/Savings					
OPERATING CHECKING & MM ACCTS	21,142,356.33	14,746,881.41	6,395,474.92	13,225,426.80	7,916,929.53
SOUTH STATE VETERANS PKWY CKI...	1,512,377.59	1,508,872.94	3,504.65	570,896.72	941,480.87
UNITED COMMUNITY BANK GEFA	866,007.28	888,354.29	-22,347.01	879,614.66	-13,607.38
Total Checking/Savings	23,520,741.20	17,144,108.64	6,376,632.56	14,675,938.18	8,844,803.02
Accounts Receivable	9,259,493.72	10,235,009.93	-975,516.21	6,393,264.41	2,866,229.31
Other Current Assets					
A/R-MISCELLANEOUS	3,290,704.71	3,325,112.36	-34,407.65	3,521,561.36	-230,856.65
DEPOSITS	604,544.50	595,044.50	9,500.00	1,535,855.83	-931,311.33
INVESTMENTS @ MKT VALUE	88,427,628.26	27,686,271.59	60,741,356.67	25,731,521.13	62,696,107.13
PREPAID EXPENSES	48,035.90	54,502.90	-6,467.00	57,030.90	-8,995.00
Total Other Current Assets	92,370,913.37	31,660,931.35	60,709,982.02	30,845,969.22	61,524,944.15
Total Current Assets	125,151,148.29	59,040,049.92	66,111,098.37	51,915,171.81	73,235,976.48
Fixed Assets					
ACCUMULATED DEPRECIATION	-1,228,320.65	-1,201,181.65	-27,139.00	-934,400.09	-293,920.56
BUILDINGS	7,255,331.17	7,255,331.17	0.00	7,255,331.17	0.00
FURNITURE & EQUIPMENT	730,878.07	730,878.07	0.00	734,938.71	-4,060.64
LAND AND LAND IMPROVEMENTS	1,200,000.00	1,200,000.00	0.00	1,200,000.00	0.00
VEHICLES	254,767.28	254,767.28	0.00	254,767.28	0.00
Total Fixed Assets	8,212,655.87	8,239,794.87	-27,139.00	8,510,637.07	-297,981.20
Other Assets					
AMORTIZATION OF DEFERRED COST	-1,506,947.93	-1,483,811.93	-23,136.00	-1,229,312.73	-277,635.20
DEFERRED COSTS	4,602,625.93	4,602,625.93	0.00	4,602,625.93	0.00
INVESTMENT IN SEDA I, LLC	944,346.57	936,188.62	8,157.95	846,240.24	98,106.33
LEASED ASSETS	1,003,770.63	1,003,770.63	0.00	734,627.73	269,142.90
LEASED ASSETS - AMORTIZATION	-509,466.94	-497,155.24	-12,311.70	-361,873.81	-147,593.13
OTHER RECEIVABLE	10,000,000.00	10,000,000.00	0.00	10,000,000.00	0.00
REAL PROP.HELD-SALE/DEVELOPMENT	17,490,658.83	17,170,260.15	320,398.68	15,209,604.10	2,281,054.73
Total Other Assets	32,024,987.09	31,731,878.16	293,108.93	29,801,911.46	2,223,075.63
TOTAL ASSETS	165,388,791.25	99,011,722.95	66,377,068.30	90,227,720.34	75,161,070.91

SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY
Statement of Assets, Liabilities & Net Assets
As of February 28, 2025

	Feb 28, 25	Jan 31, 25	\$ Change	Feb 29, 24	\$ Change
LIABILITIES & EQUITY					
Liabilities					
Current Liabilities					
Accounts Payable					
ACCOUNTS PAYABLE	463,616.40	1,201,868.95	-738,252.55	450,517.54	13,098.86
Total Accounts Payable	463,616.40	1,201,868.95	-738,252.55	450,517.54	13,098.86
Credit Cards	69,389.82	54,534.85	14,854.97	69,077.51	312.31
Other Current Liabilities					
A/P-MISCELLANEOUS	3,666,648.04	1,685,928.04	1,980,720.00	251,531.36	3,415,116.68
ACCRUED EXPENSES	1,733,122.13	1,703,050.13	30,072.00	1,727,648.13	5,474.00
DEFERRED INCOME	12,608,603.44	13,400,730.44	-792,127.00	12,852,079.21	-243,475.77
PILOT/VPILT PAYABLE	5,238,994.70	46,531.25	5,192,463.45	77,000.00	5,161,994.70
RETAINAGE PAYABLE	40,000.00	40,000.00	0.00	40,000.00	0.00
UNITED WAY PAYABLE	1,075.18	1,075.18	0.00	979.92	95.26
Total Other Current Liabilities	23,288,443.49	16,877,315.04	6,411,128.45	14,949,238.62	8,339,204.87
Total Current Liabilities	23,821,449.71	18,133,718.84	5,687,730.87	15,468,833.67	8,352,616.04
Long Term Liabilities					
DEFERRED INTERCHANGE COSTS	413,170.54	409,665.89	3,504.65	418,598.87	-5,428.33
GEFA LOAN PAYABLE	3,537,165.96	3,556,846.38	-19,680.42	3,772,016.28	-234,850.32
LEASE LIABILITY	484,739.24	491,728.58	-6,989.34	362,800.46	121,938.78
Total Long Term Liabilities	4,435,075.74	4,458,240.85	-23,165.11	4,553,415.61	-118,339.87
Total Liabilities	28,256,525.45	22,591,959.69	5,664,565.76	20,022,249.28	8,234,276.17
Equity					
NET ASSETS-INVSTD IN CAP ASSETS	8,271,914.43	8,271,914.43	0.00	8,567,303.18	-295,388.75
NET ASSETS-UNRESTRICTED	67,865,721.32	67,865,721.32	0.00	60,883,814.57	6,981,906.75
Net Income	60,994,630.05	282,127.51	60,712,502.54	754,353.31	60,240,276.74
Total Equity	137,132,265.80	76,419,763.26	60,712,502.54	70,205,471.06	66,926,794.74
TOTAL LIABILITIES & EQUITY	165,388,791.25	99,011,722.95	66,377,068.30	90,227,720.34	75,161,070.91

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Accrual Basis

SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY
Statement of Revenues & Expenses - Actual vs. Budget
February 2025

	Feb 25	Budget	\$ Over Budget	Jan - Feb 25	YTD Budget	\$ Over Budget	Annual Budget
Ordinary Income/Expense							
Income							
BOND FEES	18,501.00	18,500.00	1.00	37,000.44	37,000.00	0.44	222,000.00
FOREIGN TRADE ZONE REVENUE	21,003.00	20,200.00	803.00	39,962.00	40,400.00	-438.00	242,500.00
INFRASTRUCTURE FEES	1,016,984.55	1,048,750.00	-31,765.45	2,027,303.28	2,097,500.00	-70,196.72	12,585,000.00
MISCELLANEOUS INCOME	1,250.00	1,250.00	0.00	2,500.00	2,500.00	0.00	15,000.00
RENTAL INCOME - OTHER	0.00	410.00	-410.00	0.00	820.00	-820.00	5,000.00
TRADE SERVICES INCOME	13,926.00	22,910.00	-8,984.00	31,352.00	45,820.00	-14,468.00	275,000.00
Total Income	1,071,664.55	1,112,020.00	-40,355.45	2,138,117.72	2,224,040.00	-85,922.28	13,344,500.00
Gross Profit	1,071,664.55	1,112,020.00	-40,355.45	2,138,117.72	2,224,040.00	-85,922.28	13,344,500.00
Expense							
ADMIN. OPERATING EXPENSES	630,013.66	390,410.00	239,603.66	960,451.51	780,820.00	179,631.51	4,746,500.00
ASSESSMENTS-CROSSROADS OWNE...	0.00	0.00	0.00	20,143.99	21,000.00	-856.01	21,000.00
DEPRECIATION & AMORTIZATION	62,586.70	65,500.00	-2,913.30	125,271.83	131,000.00	-5,728.17	781,000.00
ENG,ENV,MITIGATION,SURVEY,LEGAL	3,602.50	29,100.00	-25,497.50	3,837.75	58,200.00	-54,362.25	350,000.00
INTEREST EXPENSE	1,159.17	420.00	739.17	2,351.45	840.00	1,511.45	5,000.00
PROPERTY MAINTENANCE	3,214.90	9,200.00	-5,985.10	20,184.25	18,400.00	1,784.25	110,000.00
SALES,MKT,PR,RES,PROJ MGT EXP.	454,314.08	318,650.00	135,664.08	1,342,279.10	1,491,300.00	-149,020.90	4,680,000.00
Total Expense	1,154,891.01	813,280.00	341,611.01	2,474,519.88	2,501,560.00	-27,040.12	10,693,500.00
Net Ordinary Income	-83,226.46	298,740.00	-381,966.46	-336,402.16	-277,520.00	-58,882.16	2,651,000.00
Other Income/Expense							
Other Income							
NON-OPERATING REVENUE(EXPENSE)	60,795,729.00	76,150.00	60,719,579.00	61,331,032.21	108,550.00	61,222,482.21	740,000.00
Total Other Income	60,795,729.00	76,150.00	60,719,579.00	61,331,032.21	108,550.00	61,222,482.21	740,000.00
Net Other Income	60,795,729.00	76,150.00	60,719,579.00	61,331,032.21	108,550.00	61,222,482.21	740,000.00
Net Income	60,712,502.54	374,890.00	60,337,612.54	60,994,630.05	-168,970.00	61,163,600.05	3,391,000.00

SAVANNAH ECONOMIC
DEVELOPMENT AUTHORITY

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

Draft 4-10-2025

SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY

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DECEMBER 31, 2024 AND 2023

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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, 2024 and 2023, 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, 2024 and 2023, 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.

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 consolidated 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 Governmental Accounting Standards Board (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 April 17, 2025, 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
April 17, 2025

Draft 4-10-2025

SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY
CONSOLIDATED STATEMENTS OF NET POSITION
PROPRIETARY FUND

	<u>December 31,</u>	
	<u>2024</u>	<u>2023</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 10,472,328	\$ 13,006,979
Restricted cash	2,643,226	916,501
Investments	27,182,055	25,153,557
Accounts receivable	8,175,994	6,772,449
Prepaid expenses and deposits	633,139	1,833,003
Total current assets	<u>49,106,742</u>	<u>47,682,489</u>
Noncurrent assets		
Accounts receivable, noncurrent	10,000,000	5,210,290
SEDA I, LLC investment	927,967	829,957
Capital assets, net of accumulated depreciation and amortization	8,785,956	8,959,937
Real property held for sale or development	16,952,270	14,906,275
Total noncurrent assets	<u>36,666,193</u>	<u>29,906,459</u>
Total assets	<u>85,772,935</u>	<u>77,588,948</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources, net of amortization	3,141,953	3,419,588
	<u>3,141,953</u>	<u>3,419,588</u>
LIABILITIES		
Current liabilities		
Accounts payable	2,313,087	2,920,515
Accrued expenses	1,649,948	1,882,748
Voluntary payments in lieu of taxes	1,076,105	77,000
Current portion of lease obligations	145,751	149,010
Current portion of note payable	237,249	234,374
Total current liabilities	5,422,140	5,263,647
Long-term lease obligations	368,291	243,623
Long-term note payable	3,339,258	3,576,506
Total liabilities	<u>9,129,689</u>	<u>9,083,776</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources	<u>3,611,106</u>	<u>2,473,644</u>
NET POSITION		
Net investment in capital assets	8,271,914	8,567,304
Unrestricted	67,902,179	60,883,812
Total net position	<u>\$ 76,174,093</u>	<u>\$ 69,451,116</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 <u>December 31,</u>	
	<u>2024</u>	<u>2023</u>
REVENUES AND OTHER SUPPORT		
Infrastructure and recapitalization fees	\$ 10,981,602	\$ 8,453,274
World Trade Center income	481,406	500,458
Administrative fees	276,138	285,057
Miscellaneous income	24,773	15,879
Rental income	<u>8,635</u>	<u>18,839</u>
Total operating revenues	<u>11,772,554</u>	<u>9,273,507</u>
OPERATING EXPENSES		
Personnel and wages	2,802,984	2,160,559
Depreciation and amortization	747,705	748,367
Sponsorships	681,032	736,327
Professional fees	606,938	811,336
Travel and entertainment	575,046	434,002
Insurance	343,975	316,127
Advertising and brand development	312,143	78,742
Special events and business development	265,228	400,379
Promotional and collateral materials	219,850	433,190
Property maintenance	196,183	128,965
Payroll taxes	184,931	138,864
Office	174,762	164,117
Dues and subscriptions	156,209	158,614
Website development and maintenance	140,832	56,437
Retirement plan contributions	130,183	102,996
Organization	74,305	44,700
Utilities	47,957	39,723
Research	34,151	63,298
Telephone	26,864	27,110
Board meetings and reports	24,741	71,954
Assessments - Crossroads Owners Association	22,830	20,144
Incentives	-	1,202,661
Bad debt	<u>-</u>	<u>9,500</u>
Total operating expenses	<u>7,768,849</u>	<u>8,348,112</u>
Operating income	<u>4,003,705</u>	<u>925,395</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 - (continued)

	For the years ended December 31,	
	<u>2024</u>	<u>2023</u>
NON-OPERATING REVENUES (EXPENSES)		
Investment fees	\$ (168,168)	\$ (150,935)
Interest income	674,969	713,104
Dividend income	453,443	314,198
Unrealized gains	432,307	1,802,913
Realized gains	974,075	532,505
Gain on property sales	265,089	-
Gain on disposal of capital assets	-	21,352
Interest expense	(10,403)	(12,531)
Income from SEDA I, LLC	97,960	96,748
Total non-operating revenues	<u>2,719,272</u>	<u>3,317,354</u>
Net income	6,722,977	4,242,749
Net position - beginning	<u>69,451,116</u>	<u>65,208,367</u>
Net position - ending	<u>\$ 76,174,093</u>	<u>\$ 69,451,116</u>

(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>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received (expended) from providing services	\$ 6,716,761	\$ (4,430,467)
Payments to suppliers and employees	<u>(5,662,403)</u>	<u>(6,606,294)</u>
Net cash provided by (used for) operating activities	<u>1,054,358</u>	<u>(11,036,761)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition or construction of capital assets	(296,090)	(147,486)
Proceeds from sale of capital assets and property	265,089	27,701
Payments on note payable	(234,374)	(19,403)
Borrowings on lease obligations	269,143	51,369
Payments on lease obligations	<u>(158,138)</u>	<u>(141,739)</u>
Net cash used for capital and related financing activities	<u>(154,370)</u>	<u>(229,558)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition or development of real property held for sale or development	(2,045,995)	(3,270,254)
Interest proceeds from cash and cash equivalents	<u>338,081</u>	<u>397,274</u>
Net cash used for investing activities	<u>(1,707,914)</u>	<u>(2,872,980)</u>
Net decrease in cash and cash equivalents	(807,926)	(14,139,299)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>13,923,480</u>	<u>28,062,779</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 13,115,554</u>	<u>\$ 13,923,480</u>
CASH AND CASH EQUIVALENTS from the Consolidated Statements of Financial Position		
Cash and cash equivalents	\$ 10,472,328	\$ 13,006,979
Restricted cash	<u>2,643,226</u>	<u>916,501</u>
	<u>\$ 13,115,554</u>	<u>\$ 13,923,480</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 <u>December 31,</u>	
	<u>2024</u>	<u>2023</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES		
Operating income	\$ 4,003,705	\$ 925,395
Adjustments to reconcile operating income to cash provided by (used for) operating activities		
Depreciation and amortization expense	747,705	748,367
Increase (decrease) in deferred inflows of resources	1,137,462	(8,292,497)
Change in assets and liabilities		
Increase in accounts receivable	(6,193,255)	(5,409,977)
Decrease (increase) in prepaid expenses and deposits	1,199,864	(242,849)
(Decrease) increase in accounts payable	(607,428)	1,707,650
Decrease in accrued expenses	(232,800)	(471,350)
Decrease in unearned property deposits	-	(1,500)
Increase in voluntary payments in lieu of taxes	999,105	-
Net cash provided by (used for) operating activities	<u>\$ 1,054,358</u>	<u>\$ (11,036,761)</u>
SCHEDULE OF NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Change in fair value of investments	\$ 2,028,498	\$ 2,814,462
Change in investment in SEDA I, LLC	98,010	96,798

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

SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

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 consolidated financial statements as of December 31, 2024 and 2023. See Note 13 for further discussion.

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

In 2024, SEDA organized the Regional Industry Support Enterprise (RISE), a regional workforce organization aimed at being the key facilitator of industry support services and workforce development in the Savannah region. Financial information related to RISE is included in the accompanying consolidated financial statements with other SEDA operations. In 2025, RISE became a not-for-profit organization separate from SEDA and began reporting its financial information on a standalone basis.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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, 2024 and 2023, 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 8 for further discussion.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2024 and 2023, SEDA was a party to fifty-eight (58) and fifty-four (54) 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.

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 9 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 2 for further discussion.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Advertising

Advertising costs are expensed as incurred. Advertising costs for the years ended December 31, 2024 and 2023 were \$159,916 and \$78,742, 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.

Reclassifications

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

Subsequent Events

SEDA has evaluated subsequent events through April 17, 2025, the date the financial statements were available to be issued.

NOTE 2 - 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, 2024 and 2023, there were 18 and 19 IRBs outstanding with aggregate principal balances of \$701,239,790 and \$733,728,705, respectively.

In January 2021, SEDA issued revenue bonds totaling \$28,000,000 to fund the Veterans Parkway Interchange Project. In May 2022 and October 2023, SEDA issued additional revenue bonds totaling \$5,750,000 and \$2,565,000, respectively, to fund additional costs necessary to complete 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 upon issuance and agreed to administer and manage the project as an agent of the City.

At December 31, 2023, there were remaining, unspent bond funds totaling \$574,498 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, 2023 are accounts receivable of \$4,202 related to amounts spent from SEDA operating funds on the project, accounts payable of \$145,018 related to unpaid vendor invoices for the project, and deferred inflows of resources of \$425,278 representing unspent bond funds less vendor payables related to the project.

At December 31, 2024, funds totaling \$2,273,204 are included in restricted cash on the accompanying consolidated statement of net position related to the Veterans Parkway Interchange Project. Also included on the accompanying consolidated statement of net position at December 31, 2024 are accounts receivable of \$293,753 related to amounts spent from SEDA operating funds on the project, voluntary payments in lieu of taxes payable of \$1,029,574 related to payments received from project developers that are payable to the City, and deferred inflows of resources of \$1,537,383 representing unspent bond funds of \$405,136 and deferred infrastructure fees paid by project developers of \$1,132,247.

NOTE 3 - CONCENTRATIONS OF CREDIT RISK

SEDA maintains its cash balances with commercial banks in deposit accounts. The Federal Deposit Insurance Corporation (FDIC) insures these deposits up to \$250,000 per financial institution. In addition, all of SEDA's 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, 2024 and 2023 totaled \$0. 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 4 - INVESTMENTS

As of December 31, 2024 and 2023, SEDA had investments totaling \$27,182,055 and \$25,153,557, 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. As of December 31, 2024 and 2023, SEDA's investments in debt securities had an average credit quality rating of Aaa and A1, respectively. 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, 2024</u>	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Gains/(Losses)</u>
Common stocks	\$ 6,875,986	\$ 10,224,794	\$ 3,348,808
Money funds	355,616	355,616	-
Bonds	13,010,099	12,655,057	(355,042)
Fixed income funds	3,960,739	3,946,588	(14,151)
	<u>\$ 24,202,440</u>	<u>\$ 27,182,055</u>	<u>\$ 2,979,615</u>

<u>December 31, 2023</u>	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Gains/(Losses)</u>
Common stocks	\$ 6,928,450	\$ 9,885,332	\$ 2,956,882
Money funds	412,965	412,965	-
Bonds	11,714,320	11,336,067	(378,253)
Fixed income funds	3,495,937	3,519,193	23,256
	<u>\$ 22,551,672</u>	<u>\$ 25,153,557</u>	<u>\$ 2,601,885</u>

At December 31, 2024, SEDA's investments had the following maturities:

	<u>Total</u>	<u>No</u>	<u>Less than</u>	<u>Maturity Period</u>		
	<u>Fair Value</u>	<u>Maturity</u>	<u>3 Months</u>	<u>4-12 Months</u>	<u>1-5 Years</u>	<u>6-10 Years</u>
Money funds	\$ 355,616		\$ 355,616			
Bonds	12,655,057			\$ 339,260	\$ 10,167,977	\$ 2,147,820
Fixed income funds	3,946,588	\$ 3,946,588				
Common stocks	10,224,794	10,224,794	-	-	-	-
Total investments	<u>\$ 27,182,055</u>	<u>\$ 14,171,382</u>	<u>\$ 355,616</u>	<u>\$ 339,260</u>	<u>\$ 10,167,977</u>	<u>\$ 2,147,820</u>

NOTE 5 - 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, 2024 and December 31, 2023, 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.

Assets at Fair Value as of December 31, 2024				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common stocks	\$ 10,224,794			\$ 10,224,794
Money funds	355,616			355,616
Bonds		\$ 12,655,057		12,655,057
Fixed income funds	-	3,946,588	\$ -	3,946,588
Total	<u>\$ 10,580,410</u>	<u>\$ 16,601,645</u>	<u>\$ -</u>	<u>\$ 27,182,055</u>

Assets at Fair Value as of December 31, 2023				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common stocks	\$ 9,885,332			\$ 9,885,332
Money funds	412,965			412,965
Bonds		\$ 11,336,067		11,336,067
Fixed income funds	-	3,519,193	\$ -	3,519,193
Total	<u>\$ 10,298,297</u>	<u>\$ 14,855,260</u>	<u>\$ -</u>	<u>\$ 25,153,557</u>

NOTE 6 - CAPITAL ASSETS

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

	<u>Useful Lives</u>	December 31, <u>2023</u>	<u>Additions</u>	<u>Disposals</u>	December 31, <u>2024</u>
Land		\$ 1,200,000			\$ 1,200,000
Building	40 years	7,255,331			7,255,331
Vehicles	5 years	254,769			254,769
Furniture and equipment	5-10 years	733,119	\$ 26,947	\$ (29,190)	730,876
		9,443,219	26,947	(29,190)	9,440,976
Less accumulated depreciation		880,717	322,420	(29,190)	1,173,947
Total capital assets, being depreciated, net		<u>\$ 8,562,502</u>	<u>\$ (295,473)</u>	<u>\$ -</u>	<u>\$ 8,267,029</u>
Lease assets - facilities	5-6 years	\$ 326,398	\$ 269,143		\$ 595,541
Lease assets - equipment	2-6 years	356,861			356,861
Lease assets - vehicles	2-4 years	51,369	-	\$ -	51,369
		734,628	269,143	-	1,003,771
Less accumulated amortization		337,193	147,651	-	484,844
Total capital assets, being amortized, net		<u>\$ 397,435</u>	<u>\$ 121,492</u>	<u>\$ -</u>	<u>\$ 518,927</u>
Total capital assets		<u>\$ 8,959,937</u>	<u>\$ (173,981)</u>	<u>\$ -</u>	<u>\$ 8,785,956</u>

	<u>Useful Lives</u>	December 31, <u>2022</u>	<u>Additions</u>	<u>Disposals</u>	December 31, <u>2023</u>
Land		\$ 1,200,000			\$ 1,200,000
Building	40 years	7,255,331			7,255,331
Vehicles	5 years	236,454	\$ 81,799	\$ (63,484)	254,769
Furniture and equipment	5-10 years	721,323	14,318	(2,522)	733,119
		9,413,108	96,117	(66,006)	9,443,219
Less accumulated depreciation		617,083	323,291	(59,657)	880,717
Total capital assets, being depreciated, net		<u>\$ 8,796,025</u>	<u>\$ (227,174)</u>	<u>\$ (6,349)</u>	<u>\$ 8,562,502</u>
Lease assets - facilities	5-6 years	\$ 326,398			\$ 326,398
Lease assets - equipment	2-6 years	356,861			356,861
Lease assets - vehicles	2-4 years	16,897	\$ 51,369	\$ (16,897)	51,369
		700,156	51,369	(16,897)	734,628
Less accumulated amortization		206,649	147,441	(16,897)	337,193
Total capital assets, being amortized, net		<u>\$ 493,507</u>	<u>\$ (96,072)</u>	<u>\$ -</u>	<u>\$ 397,435</u>
Total capital assets		<u>\$ 9,289,532</u>	<u>\$ (323,246)</u>	<u>\$ (6,349)</u>	<u>\$ 8,959,937</u>

NOTE 7 - LEASES

SEDA leases facilities, office equipment and vehicles under six non-cancellable 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.

Lease liabilities are 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 8.34%. Lease liabilities are reduced by the principal portion of lease payments made and interest expense is recorded as an outflow of resources. Lease assets are measured at the initial amount of the lease liabilities and are amortized on a straight-line basis over the lease terms. The lease terms include the non-cancellable period of the lease as well as any period in which the lessee has the option to 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 \$10,403 and \$12,531 for the years ended December 31, 2024 and 2023, respectively.

Changes in lease obligations are as follows:

	December 31, 2023	Increases	Decreases	December 31, 2024
Leases of facilities	\$ 195,972	\$ 269,143	\$ (57,502)	\$ 407,613
Leases of equipment	158,669		(74,847)	83,822
Leases of vehicles	37,992	-	(15,385)	22,607
	<u>\$ 392,633</u>	<u>\$ 269,143</u>	<u>\$ (147,734)</u>	<u>\$ 514,042</u>

	December 31, 2022	Increases	Decreases	December 31, 2023
Leases of facilities	\$ 237,906		\$ (41,934)	\$ 195,972
Leases of equipment	231,846		(73,177)	158,669
Leases of vehicles	720	\$ 51,369	(14,097)	37,992
	<u>\$ 470,472</u>	<u>\$ 51,369</u>	<u>\$ (129,208)</u>	<u>\$ 392,633</u>

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

For the year ending	December 31,	Principal	Interest	Total
2025	\$	145,751	\$ 12,387	\$ 158,138
2026		66,216	8,816	75,032
2027		56,070	7,234	63,304
2028		56,729	5,770	62,499
Thereafter		189,276	8,226	197,502
		<u>\$ 514,042</u>	<u>\$ 42,433</u>	<u>\$ 556,475</u>

NOTE 8 - 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 \$16,952,270 and \$14,906,275 as of December 31, 2024 and 2023, 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 \$35,306,444 related to the development of the property and received \$26,638,205 in reimbursement funds from Chatham County, the City of Savannah, nearby property owners and others. As of December 31, 2024 and 2023, SEDA has included net costs of \$10,769,747 and \$8,723,752, 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 for 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 statements of net position at December 31, 2023. In 2024, SEDA was reimbursed \$940,811 related to these construction bonds and as a result, \$595,045 is included in deposits on the accompanying consolidated statements of net position at December 31, 2024.

NOTE 9 - 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, 2024 and 2023, and the net value was \$671,750 and \$759,370, respectively, at December 31, 2024 and 2023.

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 15 years in lieu of the developer paying property taxes. SEDA recorded \$2,850,234 as deferred outflows of resources related to this agreement as of December 31, 2022.

Amortization began in January 2023 and continues over the established payment period of 15 years. Amortization expense related to these deferred outflows of resources totaled \$190,015 for each of the years ended December 31, 2024 and 2023, and the net value was \$2,470,203 and \$2,660,218, respectively, at December 31, 2024 and 2023.

NOTE 10 - 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 \$130,183 and \$102,996 for the years ended December 31, 2024 and 2023, respectively.

NOTE 11 - NOTE PAYABLE

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 withdrew \$3,830,283 in GEFA loan funds in 2022. SEDA has agreed to administer the GEFA loan, manage the construction project and contribute \$339,731 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. The project was completed in 2023 and development costs related to the project totaled \$8,168,095.

At December 31, 2023, there are amounts receivable from developers of \$3,468,877 included in accounts receivable and \$342,003 in restricted cash on the accompanying consolidated statement of net position related to this project. During 2023, SEDA paid interest totaling \$46,772 and principal totaling \$19,403 related to the GEFA loan. At December 31, 2024, there are amounts receivable from developers of \$3,206,485 included in accounts receivable, amounts payable to developers, the City of Bloomingdale and Chatham County of \$1,645,870 included in accounts payable and \$403,611 in restricted cash on the accompanying consolidated statement of net position related to this project. During 2024, SEDA paid interest totaling \$45,185 and principal totaling \$234,374 related to the GEFA loan. The balance due related to the GEFA loan totaled \$3,576,507 and \$3,810,880 at December 31, 2024 and 2023, respectively.

Future minimum payments on the GEFA loan are as follows:

<u>Year ending</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 237,249	\$ 42,310
2026	240,160	39,399
2027	243,106	36,453
2028	246,089	33,470
2029	249,108	30,451
Thereafter	2,360,795	131,934
Total	<u>\$ 3,576,507</u>	<u>\$ 314,017</u>

NOTE 12 - GRANT AWARDS

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, 2024 and 2023. The total grant award has been received and expended in prior years. In 2025, it was determined the recipient company did not meet their job requirements and the company repaid a portion of the award to the Georgia Department of Community Affairs (DCA).

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. In February 2024, SEDA requested and DCA approved a de-obligation of the remaining \$364 that was unspent from this award. There were no transactions related to this award during the years ended December 31, 2024 and 2023. 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 2025.

In November 2019, SEDA entered into an agreement with DCA in which \$400,000 was appropriated for a preliminary needs assessment for the development of a Savannah logistics innovation hub. From 2020 to 2022, SEDA requested and received \$373,167 from DCA related to this agreement.

NOTE 12 - GRANT AWARDS (continued)

On July 1, 2023, the DCA and SEDA entered into a fourth extension of the original agreement in which an additional \$650,000 was appropriated for the Savannah logistics innovation hub activities. The amendment of the agreement extended the term of the grant through June 30, 2024. On June 18, 2024, a fifth amendment extended the term of the grant through June 30, 2025. During 2024 and 2023, SEDA requested and subsequently received \$97,046 and \$146,533, respectively, from the DCA related to this agreement.

In September 2024, SEDA was awarded a OneGeorgia Authority Economic Development Growth and Expansion (EDGE) Award of \$2,000,000 for the location of a manufacturing facility in Chatham County, Georgia. The award period is from September 17, 2024 to September 30, 2029. There were no grant receipts or expenditures during the year ended December 31, 2024.

In October 2024, SEDA was awarded a OneGeorgia Authority EDGE Award of \$400,000 for the location of a manufacturing facility in Chatham County, Georgia. The award period is from October 1, 2024 to June 29, 2028. There were no grant receipts or expenditures during the year ended December 31, 2024.

NOTE 13 - TRANSACTIONS WITH RELATED PARTIES

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 flows 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 is responsible for the administration of the JDA. As of December 31, 2024 and 2023, a net receivable of \$113,957 and \$59,771, respectively, from the JDA is included in SEDA's consolidated statements of net position. During 2024 and 2023, SEDA paid \$4,789,710 and \$5,210,290, respectively, to Chatham County for the County to contribute to the JDA's development project. These payments are included in noncurrent accounts receivable on the accompanying statement of financial position at December 31, 2024 and 2023, in accordance with SEDA's agreement with Chatham County.

NOTE 13 - TRANSACTIONS WITH RELATED PARTIES (continued)

World Trade Center Savannah, LLC (WTCSav), wholly owned by SEDA, is consolidated in the SEDA financial statements as of December 31, 2024 and 2023. The following are included in the SEDA consolidated financial statements for WTCSav:

	<u>December 31,</u>	
	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents - WTCSav	\$ 1,842,185	\$ 1,508,365
Accounts receivable and other assets	<u>27,200</u>	<u>36,500</u>
Total assets	<u>\$ 1,869,385</u>	<u>\$ 1,544,865</u>
LIABILITIES		
Accounts payable	\$ <u>5,173</u>	\$ <u>20,201</u>
Total liabilities	<u>5,173</u>	<u>20,201</u>
DEFERRED INFLOWS OF RESOURCES	<u>73,808</u>	<u>83,745</u>
NET POSITION		
SEDA contribution	205,424	128,802
Retained earnings	<u>1,584,980</u>	<u>1,312,117</u>
Total net position	<u>1,790,404</u>	<u>1,440,919</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 1,869,385</u>	<u>\$ 1,544,865</u>

	<u>For the years ended</u>	
	<u>December 31,</u>	
	<u>2024</u>	<u>2023</u>
Revenues - WTCSav	\$ 518,427	\$ 522,866
Expenses - WTCSav	<u>(245,565)</u>	<u>(328,821)</u>
Net income before allocations	<u>272,862</u>	<u>194,045</u>
Allocated expenses		
Direct allocation	(258,170)	(239,450)
Indirect allocation	<u>(210,380)</u>	<u>(197,016)</u>
Total allocations	<u>(468,550)</u>	<u>(436,466)</u>
Net loss after allocations	<u>\$ (195,688)</u>	<u>\$ (242,421)</u>

SUPPLEMENTARY INFORMATION

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SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY

SCHEDULE OF EXPENDITURES OF ONEGEORGIA AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2024

<u>Contract title</u>	<u>Contract number and period</u>	<u>Contract revenues</u>	<u>Contract expenses</u>	<u>Contract receivable at 12/31/24</u>	<u>Contract payable at 12/31/24</u>
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	-	-	-	-
Georgia Department of Community Affairs OneGeorgia Authority Economic Development Growth and Expansion (EDGE) Award	25ge-025-5-5218 9/17/24 - 9/30/29	-	-	-	-
Georgia Department of Community Affairs OneGeorgia Authority Economic Development Growth and Expansion (EDGE) Award	25ge-025-5-5221 10/1/24 - 6/29/28	-	-	-	-
		<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, 2024

	OneGeorgia REBA Award 19pd-025-3-4946	OneGeorgia REBA Award 20pd-025-3-4988	OneGeorgia EDGE Award 25ge-025-5-5218	OneGeorgia EDGE Award 25ge-025-5-5221
Total award year 2024 funds allocated to recipient	\$ -	\$ -	\$ 2,000,000	\$ 400,000
Less: Total award year 2024 funds drawn by recipient	-	-	-	-
Funds still available from award year 2024 resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,000,000</u>	<u>\$ 400,000</u>
Total award year 2024 funds drawn and received by recipient in 2024	\$ -	\$ -	\$ -	\$ -
Less: Funds applied and expended to award year 2024 costs	-	-	-	-
Total award year 2024 funds held by recipient	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY
PROJECT COST SCHEDULE
ONEGEORGIA AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

<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 REBA Award 19pd-025-3-4946	Purchase or Lease of Machinery & Equipment	G50-1501-I	\$ 1,500,000	\$ 1,500,000	\$ 49,950,384	\$ 51,450,384
OneGeorgia REBA Award 20pd-025-3-4988	Purchase or Lease of Machinery & Equipment	G50-1501-I	\$ 999,636	\$ 999,636	\$ 89,400,048	\$ 90,399,684
OneGeorgia EDGE Award 25ge-025-5-5218	Site Preparation	G80-1101-I	\$ 2,000,000	\$ -	\$ 127,027,773	\$ 127,027,773
OneGeorgia EDGE Award 25ge-025-5-5221	Construct or Rehab of Industrial or Commercial Building(s)	G80-1301-I	\$ 400,000	\$ -	\$ 29,922,451	\$ 29,922,451
	Total		\$ 4,899,636	\$ 2,499,636	\$ 296,300,656	\$ 298,800,292

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, 2024, and the related notes to the consolidated financial statements, which collectively comprise SEDA's basic financial statements and have issued our report thereon dated April 17, 2025.

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
April 17, 2025

Draft 4-10-2025