

**CITY OF PORT WENTWORTH, GEORGIA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2023**

**PREPARED BY**  
**City Finance Department**

**CITY OF PORT WENTWORTH, GEORGIA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2023**

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**JUNE 30, 2023**

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# CITY OF PORT WENTWORTH, GEORGIA

## ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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# Introductory Section





# CITY OF PORT WENTWORTH Georgia

7224 GA Highway 21 | Port Wentworth, Georgia 31407

Phone (912) 964-4379 | Fax (912) 966-7429

[www.cityofportwentworth.com](http://www.cityofportwentworth.com)

## MAYOR

Gary Norton

## COUNCIL MEMBERS

Thomas Barbee

Vacant, At-Large P1

Gabrielle Nelson, District 1

Mark Stephens, District 2

Rufus Bright, District 3

Glenn Jones, District 4

## CITY MANGER

Steve Davis, MPA CPM

## ASSISTANT CITY MANAGERS

Thomas J. Kilmartin, MBA, MSS

Jason Stewart, MPA, IACP

December 11, 2023

Honorable Mayor

Members of Council and Citizens

City of Port Wentworth

It is my privilege to present the City of Port Wentworth's Annual ("the City") Comprehensive Financial Report ("ACFR") for the fiscal year ending June 30, 2023.

The purpose of the report is to provide detailed information reflecting the City's financial condition to the public, City Council, management, staff, and stakeholders. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the city. We believe the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the city.

The ACFR is organized into major sections to include Introductory, Financial Section, Statistical Section and Compliance Section. The Introductory Section contains this Letter of Transmittal, a List of Principal City Officials, an organizational Chart and award for excellence in Financial Reporting. The Financial Section contains the Independent Auditors' Report, Management's Discussion and Analysis and Basic Financial Statements, including Government-wide Financial Statements and Fund Financial Statements, Governmental and Proprietary. The Statistical Section, using tables, presents comparative economic and financial data to give readers of the report a perspective of the city's performance over several years. The last section is the Compliance Section which reports on the internal control over financial reporting, Compliance with standards and Schedule of Findings and Responses.

All disclosures necessary to enable the reader to gain an understanding of the City's financial activities are included. Generally accepted accounting standards require management to provide a narrative introduction overview and analysis to accompany the basic financial statements in the form of a Management Discussion and Analysis section ("MD&A"). The MD&A has been a required part of governmental financial statements since the Governmental Accounting Standards Board ("GASB") 34 Statement was implemented 23 years ago, it established financial reporting requirements for state and local governments across the United States. The MD&A is a useful tool for financial statement users to understand the City's financial position and outlook and an excellent means for the municipality to tell its financial story. This letter of transmittal is designed to complement the MD&A that follows and should be read in conjunction with that section.

The City's financial statements have been audited by Mauldin & Jenkins, LLC, Certified Public Accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the year ended June 30, 2023, are free of material misstatements. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements.

The procedures selected depend on the auditors' judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. The independent auditors rendered unmodified opinions that the City's financial statements for the year ending June 30, 2023, are fairly presented in conformity with Generally Accepted Accounting Principles ("GAAP").

### **Profile of Government**

The City of Port Wentworth, incorporated in 1957, is in the eastern part of the state, which is one of the top growth areas in both the state and the country. It currently occupies 16.07 square miles with a population of 12,347 as listed by the United States Census Bureau estimated on July 1, 2022. The City of Port Wentworth is empowered to levy a property tax on real property located within its boundaries. It is empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

The City of Port Wentworth operates under the council - manager form of government. Policy and legislative authority are vested in the governing council consisting of the mayor and six members from four districts and two at-large. Council Members serve four-year terms, with members elected every two years. The Mayor is elected for a four-year term. The Mayor and Council appoint the City of Port Wentworth's City Manager and Clerk of Council. The City Manager is the Chief Executive Officer and is charged with all administrative affairs of the city. The Clerk of Council is the official custodian of the city records.

The City of Port Wentworth provides a full range of services, including police, fire, public works, solid waste management, water, sewer, wastewater treatment, building inspections, licenses, permits, zoning, code enforcement and recreation activities. The criteria used by the City for including activities preparing its financial statements are set forth in the GASB (Statement No. 14). Based on these criteria, all municipal services listed above are included in the City's financial statements. There are no active entities considered to be component units, or legally separate entities, for which the City is financially responsible.

The Mayor and Council are required to adopt an initial budget for the fiscal year no later than June 30th preceding the beginning of the fiscal year on July 1st. This annual budget serves as the foundation for the City of Port Wentworth's financial planning and control. The budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department Heads may transfer resources within a department as they see fit. Transfers between departments, personnel services, and capital outlays, however, need approval from the City Manager. Any changes to the approved budget that exceed the original budget authorization funding level will require approval of the Governing Council.

### **Local Economy and Major Initiatives**

The local economy shows continued improvement. Sales tax revenue continues to increase as a result of inflationary trends, and the tax digest has grown from new construction. The City's tourism industry continues to benefit from our proximity to Savannah. Hotel/motel tax revenue has returned to pre-pandemic levels and continues to increase because of inflation. There has been steady growth in single family residential permits and development of multi-family units in the city. As the population has increased, the city has seen development in retail and expects this trend to continue. The U.S. Census reports median household income from 2017-2021 remains stable at \$77,093 and above the U.S. average of \$69,021. The average household size in Port Wentworth is increasing as young families are choosing Port Wentworth to live and raise families. The city enjoys a relatively low unemployment rate as of June 30, 2023, at 4.4%, which is below the national average of 6.0%.

Over time, there continues to be a decline in employment in manufacturing, health care, social assistance, and professional, scientific, and technical services industries for residents of the city, despite the growth of the GPA. The public administration, educational, and accommodation and food services industries have experienced the most dramatic increase according to the last decennial census.

The most common employment sectors for Port Wentworth residents are Manufacturing and Warehousing (22.00%), Retail Trade (20.5%), Public Administration (14.70%), Professional and Technical Services (11.20%), Health Care and Social Assistance (10.60%), Education (5.10%), Construction (4.40%), Arts, Entertainment and Recreation (4.0%), Accommodation, Food Service (3.4%), Administrative, Support and Waste Management (2.3%) and Other (1.8%).

The City's long-term goals are to encourage responsible development through the expansion of businesses and industries that are suitable for the community, include promoting economic development, attracting infill development and redevelopment, and supporting increased residential densities. Economic development in Port Wentworth is supported by the City and through several quasi-governmental organizations including the Savannah Economic Development Authority and the Georgia Ports Authority and the creation of the Port Wentworth Development Authority in the fall of 2023.

### **Long-term Financial Planning and Major Initiatives**

The City's continuing mission of delivering cost efficient municipal services to residents, shaped by the vision of providing safe neighborhoods and public spaces to improve the quality of life that all residents can enjoy.

The City continues to maintain a relatively low property tax rate, 4.160 mills for the fiscal year ended June 30, 2023, and high homestead exemption of \$40,000.

The City continued to plan for the design of a new Recreational Park complex, Fire Department Headquarters, Police Headquarters and the new public-private partnership with the Ghost Pirates ("ECHL") Hockey Team to construct a state-of-the-art hockey training facility. The Ghost Pirates are a professional minor league hockey team in the ECHL based in Savannah, Georgia. The new Recreational Park Complex, Fire Department Headquarters and Hockey Training Facility is projected to be completed by the end of 2025, followed by the construction of the new Police Headquarters in 2026.

During the year ended June 30, 2023, the city completed several capital projects. The city started the construction of a new Police High-Tech training facility to provide state-of-the-art video mapping of public spaces for virtual training. The fire department upgraded equipment and training as they prepare to move into a new headquarters facility. Leisure Services also replaced a service vehicle and improved facilities and equipment supporting public sports programs. Development Services issued nearly hundreds of permits to include commercial and industrial development, apartment, and single-family housing construction. The Administration Department added a Finance and Technology Department to aid in the management of city operations. The Technology Department added a new public use facility called Computer Learning and Innovation Center ("CLIC") to provide space for computer-based education and training for both city residents and employees. A new Economic Development Department was also created to focus on improving and shaping future business development, commerce, and employment opportunities.

### **Relevant Financial Policies and Fund Balances**

The City of Port Wentworth's policy to adopt a balanced budget and conservative financial planning has allowed the City to maintain an unassigned General Fund balance of \$14 million and a total General Fund balance of \$16.5 million. Unassigned fund balance represents approximately 71% of total General Fund expenditures and total fund balance represents 84% of expenditures. Unrestricted Proprietary Fund Net Position of \$15.8 million and total Fund Net Position of \$34.7 million. Unrestricted fund balance represents approximately 274% of expenditures and total fund balance represents 601% of expenditures. Restricted Capital Fund balance of \$4.8 million. Total government-wide net position of \$78.8 million.



### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Port Wentworth for its Annual Comprehensive Finance Report ("ACFR") for the fiscal year ended June 30, 2022. This was the 21<sup>st</sup> consecutive year that the government achieved this prestigious award. To be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized ACFR that satisfied both generally accepted accounting principles and applicable program requirements.

The preparation of this report would not have been possible without the skill, efforts, and dedication of the entire City of Port Wentworth Administrative and Department Staff. We wish to thank all government departments for their assistance in providing the data necessary to prepare this report. Credit is also due to the Mayor and Council Members for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Port Wentworth's finances.

Sincerely,

A handwritten signature in blue ink, appearing to read "Steve Davis".

Steve Davis  
City Manager

# CITY OF PORT WENTWORTH, GEORGIA

## LIST OF PRINCIPAL OFFICIALS JUNE 30, 2023

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### ELECTED

#### **Mayor**

Gary Norton

#### **City Council**

|                  |  |
|------------------|--|
| Thomas Barbee    | Council Member At Large, Mayor Pro-Tem |
| Vacant           | Council Member At Large                |
| Gabrielle Nelson | District 1                             |
| Mark Stephens    | District 2                             |
| Rufus Bright     | District 3                             |
| Glenn Jones      | District 4                             |

### APPOINTED

#### **City Manager**

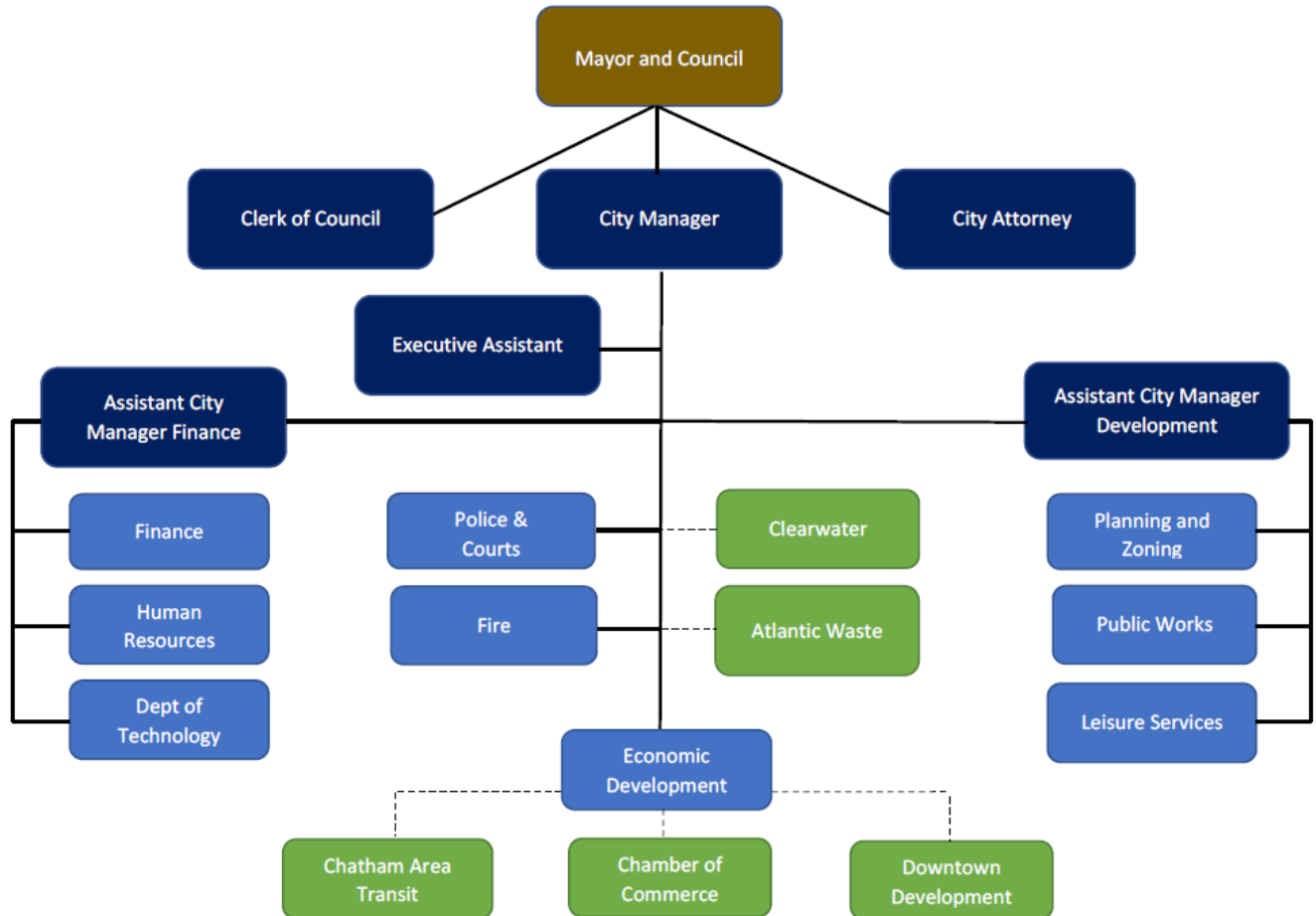
Steve Davis

|                      |   |
|----------------------|---|
| Thomas Kilmartin     | Assistant City Manager, CFO                                 |
| Jason Stewart        | Assistant City Manager, Director of<br>Development Services |
| Scott Robichaux      | City Attorney   |
| Zahnay Smoak         | Clerk of Council  |
| Kerry Thomas         | Police Chief  |
| Lance Moore          | Fire Chief  |
| James Touchton       | Director of Economic Development                            |
| Tiffany Lancaster    | Director of Leisure Services                                |
| Ashley Lanier        | Director of Human Resources                                 |
| Omar Senati-Martinez | Director of Public Works                                    |
| David Stahl          | Director of Technology                                      |

# CITY OF PORT WENTWORTH, GEORGIA

## ORGANIZATIONAL CHART

JUNE 30, 2023



**CITY OF PORT WENTWORTH, GEORGIA**

**CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING**

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Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Port Wentworth  
Georgia**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO

# Financial Section





## INDEPENDENT AUDITOR'S REPORT

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To the Honorable Mayor and City Council  
City of Port Wentworth, Georgia  
Port Wentworth, Georgia

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Port Wentworth, Georgia (the "City") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, ("MD&A") (on pages 5 through 13), the Budgetary Comparison Schedules for the General Fund, American Rescue Plan Act ("ARPA") Fund and Hotel/Motel Tax Fund (on pages 54 through 58), the Schedule of Changes in the City's Net Pension Liability and Related Ratios (on pages 59 and 60), and the Schedule of City Contributions – Retirement Plan (on page 61), be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Budgetary Comparison Schedule for the Confiscated Assets Fund, Schedule of Required Expenditures Funded by the Hotel/Motel Tax, the Schedule of Expenditures of Special Purpose Local Option Sales Tax proceeds as required by the Official Code of Georgia Annotated §48-8-121, and the Schedule of Expenditures of Federal Awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Budgetary Comparison Schedule for the Confiscated Assets Fund, Schedule of Required Expenditures Funded by the Hotel/Motel Tax, the Schedule of Expenditures of Special Purpose Local Option Sales Tax proceeds, and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



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**Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Port Wentworth, Georgia's internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Savannah, Georgia  
December 11, 2023

# **CITY OF PORT WENTWORTH, GEORGIA**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023**

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This Management's Discussion and Analysis ("MD&A") is designed to assist readers in understanding the City of Port Wentworth's (the "City"), basic financial statements, for the period ended June 30, 2023, the relationship of different types of statements, and the significant differences in the information they provide. This MD&A is designed to also assist the reader in focusing on significant financial issues, provide an overview of the City's current financial activity and identify changes in the City's financial position. Lastly, the discussion will also identify any material deviations from the approved budget for the fiscal year and identify individual fund issues or concerns. The MD&A is best understood if read in conjunction with the Transmittal Letter and the City's basic financial statements.

### **FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of the City as of June 30, 2023, exceeded its liabilities and deferred inflows, by \$78.8 million (net position). Of this amount, \$32.9 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors. The City's total net position increased by \$4.7 million.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$24.2 million, an increase of \$2.0 million in comparison with the prior year. Approximately 58% of this total amount, \$14.0 million, is available for spending at the City's discretion (unassigned fund balance).
- At the end of the current fiscal year, an unassigned fund balance for the General Fund was a positive \$14.0 million, or a positive 71%, of total General Fund expenditures.
- The City's taxable assessed property increased to \$791 million which increased the debt ceiling limit to \$79.1 million, a 46% increase from the previous year.
- Purchased 100 acres of open space for \$2.2 million adjacent to 60 acres of city owned land to host a new recreation park, amphitheater, fire station and police station.
- The City negotiated a public-private partnership with the Ghost Pirates Hockey Team (ECHL) based in Savannah, Georgia to construct a \$25 million dollar hockey training facility, projected to open in 2025, for year-round use within the City's new recreational and government facility site.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This MD&A is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components:

- 1) Government-wide financial statements
- 2) Fund financial statements
- 3) Notes to the financial statements

This report also contains other supplementary information in addition to the basic financial statements themselves.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. All governmental and business-type activities are consolidated to arrive at a total for the City. There are two government-wide statements, the Statement of Net Position and the Statement of Activities, which are described below.

The *Statement of Net Position* presents information on all the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as *net position*. This statement is a tool to measure the City's financial health or financial position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. It is important to note that this statement consolidates the governmental fund's current financial resources (short-term) with capital assets and long-term liabilities. This statement presents information on four component units of the City.

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, health and welfare, judicial, housing and development, culture and recreation, and interest on long-term debt. The business-type activities of the City include Water and Sewer.

The government-wide financial statements can be found on pages 14 –16 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains several individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, American Rescue Plan Act ("ARPA") Fund, Capital Projects Fund, and Hotel/Motel Tax Fund because they are considered major funds. Data from the nonmajor governmental funds are combined into a single, aggregated presentation. As there is only one nonmajor governmental fund, the confiscated assets fund is reported as such, and there are no *combining statements* in this report.

The City adopts an annual appropriated budget for its General Fund and major special revenue funds. A budgetary comparison statement has been provided for the General Fund and major Special Revenue Funds in the required supplementary information section of this report.

The basic governmental fund financial statements can be found on pages 17 – 22 of this report.

**Proprietary fund.** The City maintains one type of proprietary fund. The *enterprise fund* is used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its Water and Sewer Fund.

The proprietary fund provides the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund, which is considered a major fund of the City.

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

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 26 – 53 of this report.

**Required Supplementary Information.** In addition to the basic financial statements and accompanying notes, this report presents the budgetary comparison schedules for the City's General Fund and major Special Revenue Funds, the Schedule of Changes in the City's Net Pension Liability and Related Ratios, and the Schedule of City Contributions as Required Supplementary Information and can be found on pages 54 – 61 of this report.

**Supplementary Information.** The Supplementary Information consists of the nonmajor governmental fund budgetary comparison schedule, the City's SPLOST schedule, and the schedule of required expenditures funded by the hotel/motel tax. The Supplementary Information can be found on pages 62 – 64 of this report.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**Statistical Section.** In addition to the basic financial statements and accompanying notes, this report also presents various supplementary and statistical information; such as, 10-year presentation of revenues, expenditures, and tax rates. This Statistical Section can be found on pages 65 – 93 of this report.

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets plus deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$78.8 million at the close of the most recent fiscal year. The table below summarizes the City's net position for governmental activities, business-type activities, and the government as a whole.

**City of Port Wentworth - Net Position**

|                                  | <b>Governmental Activities</b> |               | <b>Business-type Activities</b> |               | <b>Total</b>  |               |
|----------------------------------|--------------------------------|---------------|---------------------------------|---------------|---------------|---------------|
|                                  | <b>2023</b>                    | <b>2022</b>   | <b>2023</b>                     | <b>2022</b>   | <b>2023</b>   | <b>2022</b>   |
| <b>ASSETS</b>                    |                                |               |                                 |               |               |               |
| Current and other assets         | \$ 24,156,870                  | \$ 27,670,106 | \$ 17,399,594                   | \$ 14,931,744 | \$ 41,556,464 | \$ 42,601,850 |
| Capital assets                   | 25,227,367                     | 21,038,638    | 23,201,597                      | 23,717,995    | 48,428,964    | 44,756,633    |
| Total assets                     | 49,384,237                     | 48,708,744    | 40,601,191                      | 38,649,739    | 89,985,428    | 87,358,483    |
| Deferred outflows of resources   | 1,474,998                      | 423,604       | 23,678                          | 6,233         | 1,498,676     | 429,837       |
| <b>LIABILITIES</b>               |                                |               |                                 |               |               |               |
| Current liabilities              | 2,206,350                      | 4,376,739     | 1,467,389                       | 992,528       | 3,673,739     | 5,369,267     |
| Long-term liabilities            | 4,506,073                      | 2,610,468     | 4,337,098                       | 4,318,057     | 8,843,171     | 6,928,525     |
| Total liabilities                | 6,712,423                      | 6,987,207     | 5,804,487                       | 5,310,585     | 12,516,910    | 12,297,792    |
| Deferred inflows of resources    | -                              | 1,120,054     | 119,380                         | 287,974       | 119,380       | 1,408,028     |
| <b>Net position:</b>             |                                |               |                                 |               |               |               |
| Net investment in capital assets | 22,152,701                     | 17,805,493    | 18,883,323                      | 19,248,797    | 41,036,024    | 37,054,290    |
| Restricted                       | 4,868,832                      | 5,551,521     | -                               | -             | 4,868,832     | 5,551,521     |
| Unrestricted                     | 17,125,279                     | 17,668,073    | 15,817,679                      | 13,808,616    | 32,942,958    | 31,476,689    |
| Total net position               | \$ 44,146,812                  | \$ 41,025,087 | \$ 34,701,002                   | \$ 33,057,413 | \$ 78,847,814 | \$ 74,082,500 |

At the end of the current fiscal year, the City is able to report positive balances in all categories of net position.

By far the largest portion of the City's net position, \$41.0 million (52.0%), reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$4.9 million (6.2%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$33.8 million (41.8%) is the unrestricted net position that may be used to meet the government's ongoing obligations of the City.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental activities during the fiscal year ended June 30, 2023 increased the City's net position by \$3.1 million (7.6%). Business-type activities during the same period increased the net position by \$1.6 million (5.0%) for a total increase in net position of \$4.8 million (6.4%). The following table shows the revenue and expenses by activity for the total primary government.

### City of Port Wentworth - Changes in Net Position

|  | Governmental Activities |               | Business-type Activities |               | Total         |               |
|--|-------------------------|---------------|--------------------------|---------------|---------------|---------------|
|  | 2023                    | 2022          | 2023                     | 2022          | 2023          | 2022          |
| Revenues   |                         |               |                          |               |               |               |
| Program revenues:                                    |                         |               |                          |               |               |               |
| Charges for services                                 | \$ 5,448,323            | \$ 5,712,551  | \$ 4,298,651             | \$ 3,986,428  | \$ 9,746,974  | \$ 9,698,979  |
| Operating grants and contributions                   | 1,800,150               | 1,963,491     | -                        | -             | 1,800,150     | 1,963,491     |
| Capital grants and contributions                     | 2,736,012               | 2,352,260     | 2,199,890                | 1,928,772     | 4,935,902     | 4,281,032     |
| General revenues:                                    |                         |               |                          |               |               |               |
| Property taxes                                       | 4,331,576               | 3,576,942     | -                        | -             | 4,331,576     | 3,576,942     |
| Sales taxes  | 3,880,117               | 2,672,105     | -                        | -             | 3,880,117     | 2,672,105     |
| Selective sales and use taxes                        | 1,969,379               | 1,717,885     | -                        | -             | 1,969,379     | 1,717,885     |
| Business taxes                                       | 1,156,208               | 610,682       | -                        | -             | 1,156,208     | 610,682       |
| Unrestricted investment earnings                     | 639,085                 | 29,909        | 481,976                  | 15,728        | 1,121,061     | 45,637        |
| Gain on sale of capital assets                       | -                       | 28,972        | -                        | 5,550         | -             | 34,522        |
| Miscellaneous  | 149,653                 | 32,402        | 144,162                  | 107,249       | 293,815       | 139,651       |
| Total revenues                                       | 22,110,503              | 18,697,199    | 7,124,679                | 6,043,727     | 29,235,182    | 24,740,926    |
| Expenses   |                         |               |                          |               |               |               |
| Governmental activities:                             |                         |               |                          |               |               |               |
| General government                                   | 3,110,785               | 1,484,807     | -                        | -             | 3,110,785     | 1,484,807     |
| Public safety  | 9,241,284               | 7,598,840     | -                        | -             | 9,241,284     | 7,598,840     |
| Public works   | 3,135,276               | 2,173,847     | -                        | -             | 3,135,276     | 2,173,847     |
| Judicial   | 567,152                 | 712,082       | -                        | -             | 567,152       | 712,082       |
| Culture and recreation                               | 914,369                 | 748,951       | -                        | -             | 914,369       | 748,951       |
| Housing and development                              | 1,487,149               | 1,416,150     | -                        | -             | 1,487,149     | 1,416,150     |
| Interest on long-term debt                           | 94,223                  | 67,365        | -                        | -             | 94,223        | 67,365        |
| Business-type activities:                            |                         |               |                          |               |               |               |
| Water and sewer                                      | -                       | -             | 5,919,630                | 5,315,912     | 5,919,630     | 5,315,912     |
| Total expenses                                       | 18,550,238              | 14,202,042    | 5,919,630                | 5,315,912     | 24,469,868    | 19,517,954    |
| Increase (decrease) in net position before transfers | 3,560,265               | 4,495,157     | 1,205,049                | 727,815       | 4,765,314     | 5,222,972     |
| Transfers  | (438,540)               | (147,241)     | 438,540                  | 147,241       | -             | -             |
| Increase in net position                             | 3,121,725               | 4,347,916     | 1,643,589                | 875,056       | 4,765,314     | 5,222,972     |
| Net position, beginning of year                      | 41,025,087              | 36,677,171    | 33,057,413               | 32,182,357    | 74,082,500    | 68,859,528    |
| Net position, end of year                            | \$ 44,146,812           | \$ 41,025,087 | \$ 34,701,002            | \$ 33,057,413 | \$ 78,847,814 | \$ 74,082,500 |

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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**Changes in Net Position.** The City's total revenues before transfers were \$29.2 million in the fiscal year 2023. Expenses were \$24.5 million. Governmental and business-type activities combined provided a \$4.8 million increase in net position. This increase is primarily the result of increased charges for services, property tax collections, increased capital grants, sales and business tax, and investment earnings during the current year.

Governmental activities revenues, before transfers, were \$22.1 million and included \$5.4 million for charges for services, \$4.6 million for grants and contributions, and \$12.1 million in taxes and other revenues. The most significant governmental activities expenses were for public safety of \$9.2 million, public works of \$3.1 million, and the general government of \$3.1 million.

Business-type activity revenues, before transfers, were \$7.1 million and included \$4.3 million in charges for services and \$2.2 million for grants and contributions. The most significant business-type activity expenses were purchased and contracted services of \$2.3 million, supplies of \$2.0 million, and depreciation/amortization of \$1.2 million.

**Revenue Impacts.** The most significant revenue changes included sales taxes, business taxes, and investment earnings which increased 45%, 89%, and 2,356%, respectively. The increase in sales tax is the result of an increase in population and spending. The increase in business taxes is directly related to the insurance premium tax. The increase in investment earnings is due to the increase in the fed funds rate and shift of cash balances to the local government investment pool account.

**Expense Impacts.** The significant expense changes included public safety (increased 22%), public works (increased 44%) and general government (increased 110%). The increases for public safety include additional personnel positions and fleet maintenance costs. The increases for public works are the result of a new allocation of contracted services, contract costs and the addition of personnel. The general government expenses increased due to the addition of the technology department and additional personnel positions.

### Financial Analysis of Governmental Funds

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

**Governmental Funds.** The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City's Council.

At June 30, 2023, the City's governmental funds reported combined fund balances of \$24,235,457, an increase of \$2,038,922 in comparison with the prior year. Approximately, 58% of this amount, \$13,990,501, constituted *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance was either *nonspendable*, *restricted*, *committed*, or *assigned* to indicate that it is: 1) not in spendable form, \$436,064, 2) legally required to be maintained intact, (none), 3) restricted for particular purposes, \$4,868,832, 4) committed for particular purposes, \$1,227,352, or 5) assigned for particular purposes, \$849,562.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$13,990,501, while total fund balance decreased to \$16,503,479. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represented approximately 71% of total General Fund expenditures, while total fund balance represented approximately 84% of that same amount. The General Fund unrestricted investment revenue increased \$609 thousand from the previous year of \$30 thousand.

The fund balance of the City's General Fund decreased by \$193,950 during the current fiscal year. Increased tax collections accounted for most of the net increase in revenues and increased capital outlay and personnel and employee benefit expenditures resulted in the net decrease to fund balance. The ARPA Fund fund balance decreased by \$1,800,150. This was the result of ARPA project expenditures being spent under revenue replacement. The fund balance of the Hotel/Motel Tax Fund remained at \$0.

The Capital Projects Fund, a major fund, had a \$1,176,826 increase in fund balance during the current fiscal year resulting in an ending restricted fund balance of \$4,834,200. The restriction to fund balance was due to the spending constraints placed on uses of the Special Purpose Local Option Sales Tax ("SPLOST") revenues. The increase in fund balance resulted from SPLOST revenues exceeding SPLOST capital outlays. Major projects incurred in the Capital Projects Fund included road paving, drainage improvements, sewer project rehabilitation, and engineer consulting and land purchase related to a future recreational facility and fire station headquarters.

**Proprietary Funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the Water and Sewer Enterprise Fund at the end of the year was \$15,817,679 and net position for net investment in capital assets was \$18,883,323. As of June 30, 2023, the Water and Sewer Enterprise Fund's net position had increased by \$1,643,589. The City's Water and Sewer rate structure has not been adjusted since 2019. The City plans to address the rate structure in FY24. The City's growth increased the water and sewer usage charges revenue by \$308,959. Also, the positive net position was impacted by the effect of an increase in aid to construction revenue and increased fund maintenance. Unrestricted investment income increased \$466 thousand from amounts earned in the prior year of \$16 thousand.

### Capital Assets and Debt Administration

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities as of June 30, 2023 totaled \$48,428,964 (net of accumulated depreciation). This investment in capital assets included land, buildings, machinery, equipment, vehicles, park facilities, streets and roads, infrastructures, and the wastewater treatment plant. The total net increase in capital assets for the current fiscal year was approximately \$3,672,331 (net of accumulated depreciation). Major capital asset events during the current fiscal year included the following:

- Police and Fire vehicle purchases
- Public safety equipment upgrades
- Facility renovations
- Site improvements to finance, human resources, police annex, and technology center ("CLIC")
- Public works improvements to water, sewer, and wastewater treatment facility
- Land purchase of 60 acres for the construction of a new park, fire station and police headquarters



## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### General Fund Budgetary Highlights

**Original budget compared to final budget.** The overall operations of the City are similar to directing a large multi-million dollar business. Budget amendments are approved throughout the year to more accurately reflect the ongoing changes and to abide by state laws. The original budget was adopted on June 30, 2022 for the fiscal year ended June 30, 2023. During the year, there were supplemental appropriation increases of \$1.4 million and decreases of \$2.4 million between the original and final amended budget. The budgetary comparison schedule of the General Fund provided as Required Supplementary Information other than MD&A can be found beginning on page 54.

**Final budget compared to actual results.** Total revenues fell short of final budgeted amounts by approximately \$1,475,000. The largest variance was due to the ARPA grant included in the ARPA Fund and charges for services which fell short of expectations by about \$1,037,000. The objective of the City's budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. The City requires expenditures be subject to an annual appropriation. Strict controls are in place to ensure that expenditures do not exceed these appropriations at either the departmental or the fund level. Departmental expenditures compared to the appropriations in the final budget were \$2,939,580 under budget. All departments experienced a favorable variance. The favorable variances were the result of aggressive budgetary controls resulting in lower than projected personnel service and employee benefits, purchased/contracted services and materials and supplies. Reallocations throughout the year fund operational needs as necessary in each City department.

**Economic Factors and Next Year's Budgets and Rates General Fund.** The City has adopted a General Fund budget of \$18,681,578 for the fiscal year ending June 30, 2024. The budget was based on the following expectations:

- Property taxes and local option sales tax are expected to be the largest sources of operating revenue budgeted at \$3,000,000 and \$4,375,000, respectively.
- Property taxes are expected to increase as City population continues to grow. Projected tax revenue is based on growth.
- \$849,562 from unassigned fund balance and \$311 thousand from unassigned fund balance from the water and sewer enterprise fund will be used in fiscal year ending June 30, 2024, to fund major road repairs, other capital projects, and economic development initiatives.
- Establishment of the City of Port Wentworth Development Authority to support new business development.
- Public-Private Partnership with the Ghost Pirates hockey team (ECHL).
- Development of the new recreational facility to include the construction of a 6,000-seat amphitheater to service the community and promote niche market economic cultural opportunities.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### Requests for Information

This financial report is designed to provide a general overview of the governmental operations of the City of Port Wentworth. It is designed for anyone with an interest in our government's finances and management. Questions concerning any of the information provided in this report or requests for additional financial information may be addressed to:

City of Port Wentworth  
City Manager  
7224 GA Highway 21  
Port Wentworth, Georgia 31407

# Basic Financial Statements



# Government-wide Financial Statements



# CITY OF PORT WENTWORTH, GEORGIA

## STATEMENT OF NET POSITION JUNE 30, 2023

|  | Primary Government         |                             |               |
|--|----------------------------|-----------------------------|---------------|
|  | Governmental<br>Activities | Business-type<br>Activities | Total         |
| <b>ASSETS</b>                                |                            |                             |               |
| Cash and cash equivalents                    | \$ 21,613,671              | \$ 16,123,687               | \$ 37,737,358 |
| Receivables, net                             | 2,005,775                  | 355,115                     | 2,360,890     |
| Prepaid expenses                             | 436,064                    | 62,395                      | 498,459       |
| Internal balances                            | 66,706                     | (66,706)                    | -             |
| Restricted assets, cash and cash equivalents | 34,654                     | 805,723                     | 840,377       |
| Lease receivable                             | -                          | 119,380                     | 119,380       |
| Capital assets                               |                            |                             |               |
| Non-depreciable                              | 4,158,254                  | 866,635                     | 5,024,889     |
| Depreciable, net of accumulated depreciation | 21,069,113                 | 22,334,962                  | 43,404,075    |
| Total assets                                 | 49,384,237                 | 40,601,191                  | 89,985,428    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>        |                            |                             |               |
| Pension                                      | 1,474,998                  | 23,678                      | 1,498,676     |
| <b>LIABILITIES</b>                           |                            |                             |               |
| Accounts payable                             | 1,029,846                  | 597,298                     | 1,627,144     |
| Retainage payable                            | 46,195                     | -                           | 46,195        |
| Accrued liabilities                          | 233,038                    | 64,368                      | 297,406       |
| Customer deposits                            | 44,893                     | 805,723                     | 850,616       |
| Unearned revenue                             | 852,378                    | -                           | 852,378       |
| Long-term liabilities:                       |                            |                             |               |
| Due within one year                          | 806,374                    | 155,598                     | 961,972       |
| Due in more than one year                    | 3,699,699                  | 4,181,500                   | 7,881,199     |
| Total liabilities                            | 6,712,423                  | 5,804,487                   | 12,516,910    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>         |                            |                             |               |
| Leases                                       | -                          | 119,380                     | 119,380       |
| <b>NET POSITION</b>                          |                            |                             |               |
| Net investment in capital assets             | 22,152,701                 | 18,883,323                  | 41,036,024    |
| Restricted for capital projects              | 4,834,200                  | -                           | 4,834,200     |
| Restricted for public safety                 | 34,632                     | -                           | 34,632        |
| Unrestricted                                 | 17,125,279                 | 15,817,679                  | 32,942,958    |
| Total net position                           | \$ 44,146,812              | \$ 34,701,002               | \$ 78,847,814 |

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

# CITY OF PORT WENTWORTH, GEORGIA

## STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| Functions/Programs             | Expenses             | Program Revenues        |  |  |
|--------------------------------|----------------------|-------------------------|--|--|
|                                |                      | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions |
| <b>Primary government</b>      |                      |                         |  |  |
| Governmental activities:       |                      |                         |  |  |
| General government             | \$ 3,110,785         | \$ 52,211               | \$ -                                     | \$ -                                   |
| Public safety                  | 9,241,284            | 2,515,190               | 1,800,150                                | 36,216                                 |
| Public works                   | 3,135,276            | 1,458,329               | -  | 2,699,796                              |
| Judicial                       | 567,152              | -                       | -  | -                                      |
| Culture and recreation         | 914,369              | 56,016                  | -  | -                                      |
| Housing and development        | 1,487,149            | 1,366,577               | -  | -                                      |
| Interest on long-term debt     | 94,223               | -                       | -  | -                                      |
| Total governmental activities  | <u>18,550,238</u>    | <u>5,448,323</u>        | <u>1,800,150</u>                         | <u>2,736,012</u>                       |
| Business-type activities:      |                      |                         |  |  |
| Water and sewer                | 5,919,630            | 4,298,651               | -  | 2,199,890                              |
| Total business-type activities | <u>5,919,630</u>     | <u>4,298,651</u>        | <u>-</u>                                 | <u>2,199,890</u>                       |
| Total primary government       | <u>\$ 24,469,868</u> | <u>\$ 9,746,974</u>     | <u>\$ 1,800,150</u>                      | <u>\$ 4,935,902</u>                    |

General revenues:

- Property taxes
- Sales taxes
- Selective sales and use taxes
- Business taxes
- Unrestricted investment earnings
- Miscellaneous

Transfers

- Total general revenues and transfers
- Change in net position
- Net position, beginning of year
- Net position, end of year

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

| Net (Expenses) Revenues and<br>Changes in Net Position |                             |                |
|--|-----------------------------|----------------|
| Governmental<br>Activities                             | Business-type<br>Activities | Total          |
| \$ (3,058,574)   | \$ -                        | \$ (3,058,574) |
| (4,889,728)  | -                           | (4,889,728)    |
| 1,022,849  | -                           | 1,022,849      |
| (567,152)  | -                           | (567,152)      |
| (858,353)  | -                           | (858,353)      |
| (120,572)  | -                           | (120,572)      |
| (94,223)   | -                           | (94,223)       |
| (8,565,753)  | -                           | (8,565,753)    |
| -  | 578,911                     | 578,911        |
| -  | 578,911                     | 578,911        |
| (8,565,753)  | 578,911                     | (7,986,842)    |
| 4,331,576  | -                           | 4,331,576      |
| 3,880,117  | -                           | 3,880,117      |
| 1,969,379  | -                           | 1,969,379      |
| 1,156,208  | -                           | 1,156,208      |
| 639,085  | 481,976                     | 1,121,061      |
| 149,653  | 144,162                     | 293,815        |
| (438,540)  | 438,540                     | -              |
| 11,687,478   | 1,064,678                   | 12,752,156     |
| 3,121,725  | 1,643,589                   | 4,765,314      |
| 41,025,087   | 33,057,413                  | 74,082,500     |
| \$ 44,146,812  | \$ 34,701,002               | \$ 78,847,814  |



# Fund Financial Statements





# CITY OF PORT WENTWORTH, GEORGIA

## BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2023

|   | General<br>Fund      | ARPA<br>Fund | Capital<br>Projects<br>Fund | Hotel/Motel<br>Tax Fund |
|---|----------------------|--------------|-----------------------------|-------------------------|
| <b>ASSETS</b>   |                      |              |                             |                         |
| Cash and cash equivalents   | \$ 16,967,146        | \$ -         | \$ 4,646,407                | \$ 118                  |
| Receivables, net  | 1,454,630            | -            | 426,793                     | 124,352                 |
| Prepaid items   | 436,064              | -            | -                           | -                       |
| Due from other funds  | 145,293              | -            | -                           | -                       |
| Restricted cash and investments   | 22                   | -            | -                           | -                       |
| Total assets  | <u>\$ 19,003,155</u> | <u>\$ -</u>  | <u>\$ 5,073,200</u>         | <u>\$ 124,470</u>       |
| <b>LIABILITIES, DEFERRED INFLOWS<br/>OF RESOURCES AND FUND BALANCES</b> |                      |              |                             |                         |
| <b>LIABILITIES</b>  |                      |              |                             |                         |
| Accounts payable  | \$ 782,322           | \$ -         | \$ 185,351                  | \$ 62,173               |
| Retainage payable   | 8,836                | -            | 37,359                      | -                       |
| Accrued liabilities   | 233,038              | -            | -                           | -                       |
| Customer deposits   | 44,893               | -            | -                           | -                       |
| Due to other funds  | -                    | -            | 16,290                      | 62,297                  |
| Total liabilities   | <u>1,069,089</u>     | <u>-</u>     | <u>239,000</u>              | <u>124,470</u>          |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                    |                      |              |                             |                         |
| Unavailable revenue   | <u>1,430,587</u>     | <u>-</u>     | <u>-</u>                    | <u>-</u>                |
| <b>FUND BALANCES</b>  |                      |              |                             |                         |
| Non-spendable:  |                      |              |                             |                         |
| Prepaid items   | 436,064              | -            | -                           | -                       |
| Restricted for:   |                      |              |                             |                         |
| Capital projects  | -                    | -            | 4,834,200                   | -                       |
| Public safety   | -                    | -            | -                           | -                       |
| Committed:  |                      |              |                             |                         |
| Public safety technology  | 1,208,067            | -            | -                           | -                       |
| Veterans memorial   | 19,285               | -            | -                           | -                       |
| Assigned:   |                      |              |                             |                         |
| Subsequent years budget   | 849,562              | -            | -                           | -                       |
| Unassigned  | <u>13,990,501</u>    | <u>-</u>     | <u>-</u>                    | <u>-</u>                |
| Total fund balances   | <u>16,503,479</u>    | <u>-</u>     | <u>4,834,200</u>            | <u>-</u>                |
| Total liabilities, deferred inflows of<br>resources and fund balances   | <u>\$ 19,003,155</u> | <u>\$ -</u>  | <u>\$ 5,073,200</u>         | <u>\$ 124,470</u>       |

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

| <b>Nonmajor</b>    |           |                     |
|--------------------|-----------|---------------------|
| <b>Confiscated</b> |           | <b>Total</b>        |
| <b>Assets</b>      |           | <b>Governmental</b> |
| <b>Fund</b>        |           | <b>Funds</b>        |
| \$ -               | \$        | 21,613,671          |
| -                  |           | 2,005,775           |
| -                  |           | 436,064             |
| -                  |           | 145,293             |
| 34,632             |           | 34,654              |
| <u>\$ 34,632</u>   | <u>\$</u> | <u>24,235,457</u>   |

|          |    |                  |
|----------|----|------------------|
| \$ -     | \$ | 1,029,846        |
| -        |    | 46,195           |
| -        |    | 233,038          |
| -        |    | 44,893           |
| -        |    | 78,587           |
| <u>-</u> |    | <u>1,432,559</u> |
| <u>-</u> |    | <u>1,430,587</u> |

|                  |           |                   |
|------------------|-----------|-------------------|
| -                |           | 436,064           |
| -                |           | 4,834,200         |
| 34,632           |           | 34,632            |
| -                |           | 1,208,067         |
| -                |           | 19,285            |
| -                |           | 849,562           |
| -                |           | 13,990,501        |
| <u>34,632</u>    |           | <u>21,372,311</u> |
| <u>\$ 34,632</u> | <u>\$</u> | <u>24,235,457</u> |

# CITY OF PORT WENTWORTH, GEORGIA

## RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION JUNE 30, 2023

---

Amounts reported for governmental activities in the Statement of Net Position are different because:

|  |    |                   |
|--|----|-------------------|
| Total governmental fund balances.  | \$ | 21,372,311        |
| Capital assets, including leases and SBITAs, used in governmental activities are not financial resources and, therefore, are not reported in the funds.            |    | 25,227,367        |
| Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:   |    |                   |
| Compensated absences   |    | (305,056)         |
| Net pension liability  |    | (1,172,546)       |
| Leases   |    | (661,277)         |
| SBITAs   |    | (35,749)          |
| Note payable   |    | (1,552,444)       |
| Financed purchases   |    | (779,001)         |
| Certain pension related deferred outflows are not reported in the funds.   |    | 1,474,998         |
| Certain property tax revenues are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the funds. |    | 578,209           |
| Net position of governmental activities.   | \$ | <u>44,146,812</u> |

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

# CITY OF PORT WENTWORTH, GEORGIA

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

|  | General<br>Fund      | ARPA<br>Fund       | Capital<br>Projects<br>Fund | Hotel/Motel<br>Tax Fund |
|--|----------------------|--------------------|-----------------------------|-------------------------|
| <b>Revenues</b>  |                      |                    |                             |                         |
| Taxes  | \$ 9,653,908         | \$ -               | \$ -                        | \$ 1,556,304            |
| Licenses and permits   | 982,092              | -                  | -                           | -                       |
| Intergovernmental  | 144,362              | 1,800,150          | 2,491,741                   | -                       |
| Fines and forfeitures  | 1,723,692            | -                  | -                           | -                       |
| Charges for services   | 2,742,539            | -                  | -                           | -                       |
| Investment income  | 638,769              | -                  | 99,909                      | 316                     |
| Miscellaneous  | 149,653              | -                  | -                           | -                       |
| Total revenues   | <u>16,035,015</u>    | <u>1,800,150</u>   | <u>2,591,650</u>            | <u>1,556,620</u>        |
| <b>Expenditures</b>  |                      |                    |                             |                         |
| Current:   |                      |                    |                             |                         |
| General government   | 3,455,022            | 228,369            | -                           | -                       |
| Judicial   | 508,014              | 42,280             | -                           | -                       |
| Public safety  | 10,701,015           | 1,230,531          | -                           | -                       |
| Public works   | 2,901,736            | 74,928             | -                           | -                       |
| Culture and recreation                                       | 753,752              | 134,120            | -                           | -                       |
| Housing and development                                      | 591,800              | 89,922             | -                           | -                       |
| Intergovernmental  | -                    | -                  | -                           | 778,154                 |
| Capital outlay   | -                    | -                  | 1,414,824                   | -                       |
| Debt service:  |                      |                    |                             |                         |
| Principal  | 583,596              | -                  | -                           | -                       |
| Interest and fiscal charges                                  | 94,223               | -                  | -                           | -                       |
| Total expenditures   | <u>19,589,158</u>    | <u>1,800,150</u>   | <u>1,414,824</u>            | <u>778,154</u>          |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(3,554,143)</u>   | <u>-</u>           | <u>1,176,826</u>            | <u>778,466</u>          |
| <b>Other financing sources (uses)</b>                        |                      |                    |                             |                         |
| Sale of capital assets                                       | 159,762              | -                  | -                           | -                       |
| Leases   | 621,815              | -                  | -                           | -                       |
| Transfers in   | 4,378,766            | 1,800,150          | -                           | -                       |
| Transfers out  | (1,800,150)          | (3,600,300)        | -                           | (778,466)               |
| Total other financing sources (uses)                         | <u>3,360,193</u>     | <u>(1,800,150)</u> | <u>-</u>                    | <u>(778,466)</u>        |
| Net change in fund balances                                  | (193,950)            | (1,800,150)        | 1,176,826                   | -                       |
| <b>Fund balances, beginning of year</b>                      | <u>16,697,429</u>    | <u>1,800,150</u>   | <u>3,657,374</u>            | <u>-</u>                |
| <b>Fund balances, end of year</b>                            | <u>\$ 16,503,479</u> | <u>\$ -</u>        | <u>\$ 4,834,200</u>         | <u>\$ -</u>             |

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

| <b>Nonmajor</b>    |   |                     |             |
|--------------------|---|---------------------|-------------|
| <b>Confiscated</b> |   | <b>Total</b>        |             |
| <b>Assets</b>      |   | <b>Governmental</b> |             |
| <b>Fund</b>        |   | <b>Funds</b>        |             |
| \$                 | - | \$                  | 11,210,212  |
|                    | - |                     | 982,092     |
|                    | - |                     | 4,436,253   |
|                    | - |                     | 1,723,692   |
|                    | - |                     | 2,742,539   |
|                    | - |                     | 738,994     |
|                    | - |                     | 149,653     |
|                    | - |                     | 21,983,435  |
|                    | - |                     | 3,683,391   |
|                    | - |                     | 550,294     |
| 6,950              |   |                     | 11,938,496  |
|                    | - |                     | 2,976,664   |
|                    | - |                     | 887,872     |
|                    | - |                     | 681,722     |
|                    | - |                     | 778,154     |
|                    | - |                     | 1,414,824   |
|                    | - |                     | 583,596     |
|                    | - |                     | 94,223      |
| 6,950              |   |                     | 23,589,236  |
| (6,950)            |   |                     | (1,605,801) |
|                    | - |                     | 159,762     |
|                    | - |                     | 621,815     |
|                    | - |                     | 6,178,916   |
|                    | - |                     | (6,178,916) |
|                    | - |                     | 781,577     |
| (6,950)            |   |                     | (824,224)   |
| 41,582             |   |                     | 22,196,535  |
| \$ 34,632          |   | \$                  | 21,372,311  |

## CITY OF PORT WENTWORTH, GEORGIA

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2023

---

Amounts reported for governmental activities in the Statement of Activities are different because:

|   |    |           |
|---|----|-----------|
| Net change in fund balances - total governmental funds. | \$ | (824,224) |
|---|----|-----------|

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

|                      |             |
|----------------------|-------------|
| Capital outlay       | 6,099,956   |
| Depreciation expense | (1,741,800) |

Governmental funds report lease and SBITA asset additions as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the shorter of their estimated useful lives or the lease/SBITA term and reported as amortization expense:

|                                 |           |
|---------------------------------|-----------|
| Lease and SBITA asset additions | 621,815   |
| Amortization expense            | (191,854) |

|  |           |
|--|-----------|
| The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins transfers to other funds) is to decrease net position. | (616,254) |
|--|-----------|

|  |         |
|--|---------|
| Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. | 127,068 |
|--|---------|

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

|   |           |
|---|-----------|
| Debt issuance   | (621,815) |
| Principal payments on notes, leases, SBITA's and financed purchases | 583,596   |

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

|  |           |
|--|-----------|
| Compensated absences   | (49,976)  |
| Net pension liability and deferred inflows of resources related to pension | (264,787) |

---

|    |           |
|----|-----------|
| \$ | 3,121,725 |
|----|-----------|

---

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

# CITY OF PORT WENTWORTH, GEORGIA

## STATEMENT OF NET POSITION PROPRIETARY FUND JUNE 30, 2023

| ASSETS  | Water and<br>Sewer Fund |
|---|-------------------------|
| <b>CURRENT ASSETS</b>                                       |                         |
| Cash and cash equivalents                                   | \$ 16,123,687           |
| Accounts receivable, net                                    | 355,115                 |
| Prepaid expenses  | 62,395                  |
| Lease receivable  | 52,877                  |
| Restricted cash and cash equivalents                        | 805,723                 |
| Total current assets  | <u>17,399,797</u>       |
| <b>NON-CURRENT ASSETS</b>                                   |                         |
| Lease receivable  | 66,503                  |
| Capital assets:   |                         |
| Non-depreciable   | 866,635                 |
| Depreciable, net of accumulated depreciation/amortization   | 22,334,962              |
| Total non-current assets                                    | <u>23,268,100</u>       |
| Total assets  | <u>40,667,897</u>       |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                       |                         |
| Pension   | <u>23,678</u>           |
| <b>LIABILITIES</b>  |                         |
| <b>CURRENT LIABILITIES, PAYABLE<br/>FROM CURRENT ASSETS</b> |                         |
| Accounts payable  | 597,298                 |
| Accrued interest payable                                    | 5,208                   |
| Other accrued liabilities                                   | 59,160                  |
| Due to other funds  | 66,706                  |
| Customer deposits   | 805,723                 |
| Current portion of notes payable                            | 155,598                 |
| Total current liabilities, payable from current assets      | <u>1,689,693</u>        |
| <b>LONG-TERM LIABILITIES</b>                                |                         |
| Notes payable   | 4,162,676               |
| Net pension liability                                       | 18,824                  |
| Total long-term liabilities                                 | <u>4,181,500</u>        |
| Total liabilities   | <u>5,871,193</u>        |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                        |                         |
| Leases  | <u>119,380</u>          |
| <b>NET POSITION</b>   |                         |
| Net investment in capital assets                            | 18,883,323              |
| Unrestricted  | 15,817,679              |
| Total net position  | <u>\$ 34,701,002</u>    |

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

# CITY OF PORT WENTWORTH, GEORGIA

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION PROPRIETARY FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

|   | <b>Water and<br/>Sewer Fund</b> |
|---|---------------------------------|
| <b>OPERATING REVENUE</b>                      |                                 |
| Charges for services                          | \$ 4,227,376                    |
| Connection fees                               | 71,275                          |
| Miscellaneous                                 | 144,162                         |
| Total operating revenues                      | <u>4,442,813</u>                |
| <b>OPERATING EXPENSES</b>                     |                                 |
| Sewer Department:                             |                                 |
| Personnel services and employee benefits      | 172,466                         |
| Purchased and contracted services             | 370,147                         |
| Supplies                                      | 131,464                         |
| Depreciation                                  | 512,746                         |
| Total sewer operating expenses                | <u>1,186,823</u>                |
| Water Department:                             |                                 |
| Personnel services and employee benefits      | 80,431                          |
| Purchased and contracted services             | 563,483                         |
| Supplies                                      | 1,775,544                       |
| Depreciation                                  | 274,268                         |
| Total water operating expenses                | <u>2,693,726</u>                |
| Wastewater Treatment Department:              |                                 |
| Personnel services and employee benefits      | 4,613                           |
| Purchased and contracted services             | 1,344,820                       |
| Supplies                                      | 123,612                         |
| Depreciation                                  | 420,620                         |
| Total wastewater treatment operating expenses | <u>1,893,665</u>                |
| Total operating expenses                      | <u>5,774,214</u>                |
| Operating loss                                | <u>(1,331,401)</u>              |
| <b>NON-OPERATING REVENUES (EXPENSES)</b>      |                                 |
| Interest income                               | 481,976                         |
| Interest expense                              | (124,886)                       |
| Loss on disposal of capital assets            | (20,530)                        |
| Total non-operating expenses, net             | <u>336,560</u>                  |
| Loss before capital contributions             | <u>(994,841)</u>                |
| <b>CAPITAL CONTRIBUTIONS</b>                  | <u>2,638,430</u>                |
| Change in net position                        | 1,643,589                       |
| <b>Total net position, beginning of year</b>  | <u>33,057,413</u>               |
| <b>Total net position, end of year</b>        | <u><u>\$ 34,701,002</u></u>     |

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



# CITY OF PORT WENTWORTH, GEORGIA

## STATEMENT OF CASH FLOWS PROPRIETARY FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

|   | <b>Water and<br/>Sewer Fund</b> |
|---|---------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                                 |
| Receipts from customers and users   | \$ 4,634,406                    |
| Payments to suppliers   | (3,711,833)                     |
| Payments to employees   | (254,017)                       |
| Net cash provided by operating activities   | <u>668,556</u>                  |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                       |                                 |
| Principal payments on notes payable   | (150,924)                       |
| Interest paid   | (119,678)                       |
| Capital contributions - aid to construction   | 2,199,890                       |
| Purchase of capital assets  | (273,226)                       |
| Net cash provided by capital and related financing activities                         | <u>1,656,062</u>                |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                                 |
| Interest received   | 481,976                         |
| Net cash provided by investing activities   | <u>481,976</u>                  |
| Net change in cash  | 2,806,594                       |
| Cash and cash equivalents, beginning of year  | 14,122,816                      |
| Cash and cash equivalents, end of year  | <u><u>\$ 16,929,410</u></u>     |
| <b>Classified as</b>  |                                 |
| Cash and cash equivalents   | \$ 16,123,687                   |
| Restricted cash and cash equivalents  | 805,723                         |
|   | <u><u>\$ 16,929,410</u></u>     |
| <b>Reconciliation of operating loss to net cash provided by operating activities:</b> |                                 |
| Operating loss  | \$ (1,331,401)                  |
| Adjustments to reconcile operating loss to net cash provided by operating activities: |                                 |
| Depreciation  | 1,207,634                       |
| Change in assets and liabilities:   |                                 |
| Decrease in accounts receivable   | 151,997                         |
| Increase in prepaid expenses  | (54,339)                        |
| Decrease in due from other funds  | 25,000                          |
| Decrease in lease receivable  | 152,113                         |
| Decrease in net pension asset   | 18,595                          |
| Increase in deferred outflows of resources  | (17,445)                        |
| Increase in accounts payable  | 560,384                         |
| Increase in accrued liabilities   | 20,814                          |
| Increase in due to other funds  | 45,378                          |
| Increase in customer deposits   | 39,596                          |
| Increase in net pension liability   | 18,824                          |
| Decrease in deferred inflows of resources - leases                                    | (152,113)                       |
| Decrease in deferred inflows of resources - pension                                   | (16,481)                        |
| Net cash provided by operating activities   | <u><u>\$ 668,556</u></u>        |
| <b>SCHEDULE OF NONCASH CAPITAL RELATED ACTIVITIES</b>                                 |                                 |
| Contribution of capital assets from governmental activities                           | <u><u>\$ 438,540</u></u>        |

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

# CITY OF PORT WENTWORTH, GEORGIA

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

---

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Port Wentworth, Georgia (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America ("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 the City's accounting policies are described below:

#### A. Reporting Entity

The City was founded in 1733 and incorporated in 1957 and operates under the laws of the State of Georgia applicable to municipal corporations. As required by GAAP, the financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. When there is significant component unit activity or assets, the discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The City's primary government major operations include general administrative functions, police and fire protection, street construction and maintenance, sanitation services, culture and recreation, planning and zoning, and water and sewer services. The City had no material blended or discretionary presented component units at year end.

#### B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government.

For the most part, the effect of interfund activity has been removed from these statements, however, interfund services provided and used are not eliminated in the process of consolidation. Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities and business-type activities.

*Governmental activities*, which are normally supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services. The Statement of Net Position includes non-current assets and non-current liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not considered program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

#### C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, including lease liabilities, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, licenses, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **American Rescue Plan Act ("ARPA") Fund** is used to account for the revenues and expenditures relating to the grant funding received from the American Rescue Plan Act.

The **Capital Projects Fund** is used to account for the receipt and use of local government shared revenues, (Special Purpose Local Option Sales Tax ("SPLOST") proceeds) to be used for the acquisition, construction, or improvement of capital facilities approved in the government's intergovernmental agreement with Chatham County, Georgia

The **Hotel/Motel Tax Fund** is used to account for the City's lodging tax revenue that is restricted to the promotion of tourism.

The City reports the following major enterprise fund:

The **Water and Sewer Fund** accounts for the financial resources from operation of the distribution of water, sewage pumping stations and collection systems, and the operation of the wastewater treatment plant.

Additionally, the government reports the following fund types:

*Special revenue funds* account for revenue sources that are legally restricted to expenditures for specific purposes.

Amounts reported as *program revenues* include: 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges for goods and services provided. Operating expenses of the enterprise funds include the cost of these goods and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

#### D. Budgets

Annual budgets are adopted on a basis consistent with GAAP for the General and Special Revenue Funds. The level of legal budgetary control (the level at which expenditures may not exceed appropriations) is at the department level. Supplemental appropriations and decreases in budget appropriations were properly approved by the City Council. Department heads, with the approval of the City Manager, may transfer appropriations within their department. Interdepartmental transfers require the approval of the City Manager.

#### E. Cash and Investments

The City's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State statutes authorize the City to invest in obligations of or obligations guaranteed by the U.S. Government and agencies or corporations of the U.S. Government; obligations of any state; obligations of any political subdivision of any state; certificates of deposit or time deposits of any national state bank or savings and loan which have deposits insured by the FDIC and FSLIC; prime banker's acceptances, repurchase agreements; and the Local Government Investment Pool of the State of Georgia ("Georgia Fund 1"). Investments for the City are reported at fair value. The City invested funds in Georgia Fund 1, a local government investment pool. Georgia Fund 1 is managed by the office of the State Treasurer under Georgia Law Official Code of Georgia Annotated ("O.C.G.A.") §36-83-8. The pool is not registered with the Securities and Exchange Commission ("SEC") as an investment company. The fair value of the City's position in the pool is the same as the value of pool shares (\$1 per share value).

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### F. Receivables and Payables

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property taxes, grants and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange revenues collectible but not available are deferred in the fund financial statements. Accounts receivable comprise the majority of proprietary fund receivables. Trade receivables are shown net of an allowance for uncollectible amounts.

Activity between funds that is representative of lending/borrowing arrangements outstanding at year-end are reported as interfund receivables and payables (due from/to other funds). Any residual balances outstanding at year-end between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

#### G. Restricted Assets

Assets are reported as restricted when limitations on their uses change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. When both restricted and non-restricted assets are available for use, it is the government's policy to use restricted resources first, then non-restricted resources, as they are needed.

#### H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

#### I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. General infrastructure assets acquired prior to July 1, 2003 are not reported in the government-wide financial statements. No long-term capital assets or depreciation are shown in the governmental fund financial statements. All capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets are recorded at cost or estimated historical cost if purchased or constructed and updated for additions and retirements during the year. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### I. Capital Assets (Continued)

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

All capital assets and right to use lease/SBITA assets are depreciated/amortized except for land and construction in progress. Improvements are depreciated/amortized over the remaining useful lives of the related capital assets. Depreciation/amortization for governmental and business-type activities is computed using the straight-line method over the following useful lives:

| <u>Assets</u>                    | <u>Years</u> |
|----------------------------------|--------------|
| Buildings and improvements       | 20 – 50      |
| Infrastructure                   | 20 – 50      |
| Machinery and equipment          | 5 – 20       |
| Vehicles                         | 3 – 10       |
| Right-to-use leased office space | 5 – 7        |
| Right-to-use SBITAs              | 5 – 7        |

#### J. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused personal time off. All personal time off (when material) is accrued when incurred in the government-wide and proprietary fund financial statements. No liability is recorded in the government fund statements unless the amount is due and payable at year-end.

#### K. Long-Term Obligations

In the government-wide financial statements and proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, or business-type activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### L. Leases

##### *Lessee and Lessor*

The City is a lessee for a noncancellable lease of office space. The City recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The City is a lessor for noncancellable leases of premise for telecommunications. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the City initially measures the lease receivable and lease liability at the present value of payments expected to be received/made during the lease term. Subsequently, the lease receivable/liability is reduced by the principal portion of lease payments received/made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

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

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

#### M. Subscription Based Information Technology Arrangements (“SBITA”)

The City has noncancellable SBITAs of various IT software. The City recognizes an SBITA liability and an intangible right-to-use SBITA asset on the Statement of Net Position. The City recognizes SBITAs with an initial, individual value of \$5,000 or more.



## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **M. Subscription Based Information Technology Arrangements (“SBITA”) (Continued)**

At the commencement of an SBITA, the City initially measures the SBITA liability at the present value of payments expected to be made during the SBITA term. Subsequently, the SBITA liability is reduced by the principal portion of SBITA payments made. The SBITA asset is initially measured as the initial amount of the SBITA liability, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain implementation and conversion costs. Subsequently, the SBITA asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to SBITA’s include how the City determines: 1) the discount rate it uses to discount the expected SBITA payments to present value, 2) the SBITA term, and 3) SBITA payments:

- The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City uses the 10-year treasury rate at the SBITA inception date as the discount rate.
- The City’s term includes the noncancellable period of the SBITA. SBITA payments included in the measurement of the SBITA liability are composed of fixed payments and purchase option prices that the SBITA is reasonably certain to exercise.

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

SBITA assets are reported with depreciable capital assets and SBITA liabilities are reported with long-term liabilities on the Statement of Net Position.

#### **N. Fund Equity**

Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity for all other reporting is classified as “net position.”

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### N. Fund Equity (Continued)

**Fund Balances** – Generally, fund balances represent the difference between the assets, liabilities, and deferred inflows of resources under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- **Non-spendable** – Fund balances are reported as non-spendable when amounts cannot be spent because they are either: a) not in spendable form (i.e., items that are not expected to be converted to cash), or b) legally or contractually required to be maintained intact.
- **Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use, either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through the adoption of a resolution. Only the City Council may modify or rescind the commitment.
- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the City Council has authorized the City Manager or their authorized designee to assign fund balances.

**Unassigned** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

**Flow Assumptions** – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order: 1) committed, 2) assigned, and 3) unassigned.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### N. Fund Equity (Continued)

**Net Position** – Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital and lease/SBITA assets, net of accumulated depreciation/amortization, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

#### O. Management Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

#### P. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualified for reporting in this category, all of which are part of the City's pension plan.

In addition to liabilities, the Statement of Net Position and the governmental funds Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item that qualifies for reporting in this category, which arises only under the modified accrual basis of accounting. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds Balance Sheet. The governmental funds report unavailable revenues from property taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Q. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Port Wentworth Retirement Plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the respective plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### NOTE 2. CASH AND CASH EQUIVALENTS

Total cash and cash equivalents as of June 30, 2023 are summarized as follows:

Amounts as presented on the Government-wide statement of net position:

|  |                      |
|--|----------------------|
| Cash and cash equivalents                  | \$ 37,737,358        |
| Restricted cash and cash equivalents       | 840,377              |
| Total                                      | <u>\$ 38,577,735</u> |
|  |                      |
| Cash deposited with financial institutions | \$ 10,184,204        |
| Cash deposited with Georgia Fund 1         | 28,393,531           |
| Total                                      | <u>\$ 38,577,735</u> |

**Credit risk.** State statutes authorize the City to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. It is the City's policy to limit its investments to those allowed and authorized by state law. As of June 30, 2023, the Georgia Fund 1 was rated AA+ by Standard & Poor's and had a weighted average maturity of 28 days.

Georgia Fund 1 was created under O.C.G.A. §36-83-8 as a stable net asset value investment pool which follows Standard & Poor's criteria for AA+ rated money market funds. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1 per share value). The asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) monthly and determines participants' shares sold and redeemed based on \$1 per share. The pool also adjusts the value of its investments to fair value as of year-end and the City's investment in Georgia Fund 1 is reported at fair value. The pool is regulated by the Georgia Office of State Treasurer.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

**Interest Rate Risk.** As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy generally limits all operating investments to instruments that mature within one year. Asset investment funds shall be diversified to eliminate risk of loss resulting from the concentration of assets in a specific maturity, a specific issuer or a specific class of maturities.

**Custodial Credit Risk.** Custodial risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal and state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2023, the City's deposits were fully collateralized in compliance with the state requirements.

**Fair Value Measurements.** The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the City does not disclose its investment in the Georgia Fund 1 within the fair value hierarchy. The City does not maintain any other investments that would require reporting in the fair value hierarchy.

### NOTE 3. RECEIVABLES

Property taxes attach as an enforceable lien on real property and are levied as of January 1 on property values assessed on the same date. Tax bills were rendered September 15, 2022 and were due November 15, 2022. The billings are considered past due 60 days after the respective tax billing date at which time the applicable property is subject to lien and penalties and interest are assessed. A millage rate of 4.160 mills was adopted on June 30, 2022.

Receivables at June 30, 2023, for the City's individual major and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

|                                      | General             | Capital Projects<br>Fund | Hotel/Motel<br>Tax Fund | Water and<br>Sewer Fund | Total               |
|--------------------------------------|---------------------|--------------------------|-------------------------|-------------------------|---------------------|
| Receivables:                         |                     |                          |                         |                         |                     |
| Taxes                                | \$ 640,645          | \$ -                     | \$ 124,352              | \$ -                    | \$ 764,997          |
| Accounts                             | 199,951             | -                        | -                       | 516,027                 | 715,978             |
| Intergovernmental                    | 667,093             | 426,793                  | -                       | -                       | 1,093,886           |
| Less allowance<br>for uncollectibles | (53,059)            | -                        | -                       | (160,912)               | (213,971)           |
| Total receivables, net               | <u>\$ 1,454,630</u> | <u>\$ 426,793</u>        | <u>\$ 124,352</u>       | <u>\$ 355,115</u>       | <u>\$ 2,360,890</u> |

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 3. RECEIVABLES (CONTINUED)

Substantially all receivables are expected to be collected within one year.

Governmental funds report unearned and unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. Taxes are due and payable when levied. Liens may be placed on property once the related tax payments become delinquent. A lien on such property becomes enforceable 60 days after final notification on delinquency of property taxes. Due to the liens on the delinquent property tax accounts, no allowance amount has been established. At the end of the current fiscal year, the various components of unearned and unavailable revenue reported in the General Fund, ARPA Fund and Hotel/Motel Tax Funds were as follows:

|                                      | <b>Unavailable</b>  |
|--------------------------------------|---------------------|
| 2023 Property tax collection         | \$ 904,791          |
| Delinquent property taxes receivable | 19,155              |
| Franchise taxes receivable           | 506,641             |
| Total                                | <u>\$ 1,430,587</u> |

## NOTES TO FINANCIAL STATEMENTS

### NOTE 4. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2023 is as follows:

|   | Beginning<br>Balance | Increases           | Decreases           | Transfers           | Ending<br>Balance    |
|---|----------------------|---------------------|---------------------|---------------------|----------------------|
| <b>Governmental activities</b>                              |                      |                     |                     |                     |                      |
| Capital assets, not being depreciated:                      |                      |                     |                     |                     |                      |
| Land  | \$ 1,483,391         | \$ -                | \$ -                | \$ 2,234,030        | \$ 3,717,421         |
| Construction in progress                                    | 748,148              | 3,484,363           | -                   | (3,791,678)         | 440,833              |
| Total   | <u>2,231,539</u>     | <u>3,484,363</u>    | <u>-</u>            | <u>(1,557,648)</u>  | <u>4,158,254</u>     |
| Capital assets, being depreciated:                          |                      |                     |                     |                     |                      |
| Buildings and improvements                                  | 6,029,177            | 623,008             | -                   | 14,394              | 6,666,579            |
| Machinery, equipment and vehicles                           | 9,230,401            | 1,859,594           | (482,091)           | 213,694             | 10,821,598           |
| Infrastructure  | 16,345,809           | 132,991             | (129,974)           | 891,020             | 17,239,846           |
| Total   | <u>31,605,387</u>    | <u>2,615,593</u>    | <u>(612,065)</u>    | <u>1,119,108</u>    | <u>34,728,023</u>    |
| Less accumulated depreciation for:                          |                      |                     |                     |                     |                      |
| Buildings and improvements                                  | (2,374,371)          | (236,438)           | -                   | -                   | (2,610,809)          |
| Machinery, equipment and vehicles                           | (6,017,079)          | (844,855)           | 304,377             | -                   | (6,557,557)          |
| Infrastructure  | (4,629,123)          | (660,507)           | 129,974             | -                   | (5,159,656)          |
| Total   | <u>(13,020,573)</u>  | <u>(1,741,800)</u>  | <u>434,351</u>      | <u>-</u>            | <u>(14,328,022)</u>  |
| Total capital assets, being depreciated, net                | <u>18,584,814</u>    | <u>873,793</u>      | <u>(177,714)</u>    | <u>1,119,108</u>    | <u>20,400,001</u>    |
| Governmental activities capital assets, net                 | <u>\$ 20,816,353</u> | <u>\$ 4,358,156</u> | <u>\$ (177,714)</u> | <u>\$ (438,540)</u> | 24,558,255           |
| Lease and SBITA assets, net                                 |                      |                     |                     |                     | 669,112              |
| Capital assets as reported in the Statement of Net Position |                      |                     |                     |                     | 25,227,367           |
| Less capital related long-term debt outstanding             |                      |                     |                     |                     | (3,028,471)          |
| Less capital accounts payable and retainage                 |                      |                     |                     |                     | (46,195)             |
| Net investment in capital assets                            |                      |                     |                     |                     | <u>\$ 22,152,701</u> |

## NOTES TO FINANCIAL STATEMENTS

### NOTE 4. CAPITAL ASSETS (CONTINUED)

|   | Beginning<br>Balance | Increases    | Decreases   | Transfers  | Ending<br>Balance |
|---|----------------------|--------------|-------------|------------|-------------------|
| <b>Business-type activities</b>                 |                      |              |             |            |                   |
| Capital assets, not being depreciated:          |                      |              |             |            |                   |
| Land  | \$ 240,232           | \$ -         | \$ -        | \$ -       | \$ 240,232        |
| Construction in progress                        | 166,348              | 21,515       | -           | 438,540    | 626,403           |
| Total   | 406,580              | 21,515       | -           | 438,540    | 866,635           |
| Capital assets, being depreciated:              |                      |              |             |            |                   |
| Buildings and improvements                      | 179,828              | -            | (30,044)    | -          | 149,784           |
| Machinery, equipment and vehicles               | 510,591              | -            | -           | -          | 510,591           |
| Infrastructure                                  | 38,497,656           | 251,711      | -           | -          | 38,749,367        |
| Total   | 39,188,075           | 251,711      | (30,044)    | -          | 39,409,742        |
| Less accumulated depreciation for:              |                      |              |             |            |                   |
| Buildings and improvements                      | (51,011)             | (11,043)     | 9,514       | -          | (52,540)          |
| Machinery, equipment and vehicles               | (519,066)            | (1,039)      | -           | -          | (520,105)         |
| Infrastructure                                  | (15,306,583)         | (1,195,552)  | -           | -          | (16,502,135)      |
| Total   | (15,876,660)         | (1,207,634)  | 9,514       | -          | (17,074,780)      |
| Total capital assets, being depreciated, net    | 23,311,415           | (955,923)    | (20,530)    | -          | 22,334,962        |
| Business-type activities capital assets, net    | \$ 23,717,995        | \$ (934,408) | \$ (20,530) | \$ 438,540 | 23,201,597        |
| Less capital related long-term debt outstanding |                      |              |             |            | (4,318,274)       |
| Net investment in capital assets                |                      |              |             |            | \$ 18,883,323     |

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

|                                |              |
|--------------------------------|--------------|
| Governmental activities:       |              |
| General government             | \$ 195,382   |
| Judicial                       | 2,910        |
| Public safety                  | 749,865      |
| Public works                   | 646,153      |
| Culture and recreation         | 110,104      |
| Housing and development        | 37,386       |
| Total governmental activities  | \$ 1,741,800 |
| Business-type activities:      |              |
| Sewer                          | \$ 512,746   |
| Water                          | 274,268      |
| Wastewater treatment           | 420,620      |
| Total business-type activities | \$ 1,207,634 |



## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. LEASE AND SBITA ASSETS

Lease and SBITA asset activity for the fiscal year ended June 30, 2023, is as follows:

|                                | Beginning<br>Balance | Increases         | Decreases   | Remeasurements | Ending<br>Balance |
|--------------------------------|----------------------|-------------------|-------------|----------------|-------------------|
| <b>Governmental activities</b> |                      |                   |             |                |                   |
| Lease asset                    | \$ 245,280           | \$ 547,619        | \$ -        | \$ -           | \$ 792,899        |
| Less accumulated amortization  | (22,995)             | (136,265)         | -           | -              | (159,260)         |
| Lease asset, net               | <u>222,285</u>       | <u>411,354</u>    | <u>-</u>    | <u>-</u>       | <u>633,639</u>    |
| <br>SBITA asset                | <br>16,866           | <br>74,196        | <br>-       | <br>-          | <br>91,062        |
| Less accumulated amortization  | -                    | (55,589)          | -           | -              | (55,589)          |
| SBITA asset, net               | <u>16,866</u>        | <u>18,607</u>     | <u>-</u>    | <u>-</u>       | <u>35,473</u>     |
| Total Leases and SBITAs, net   | <u>\$ 239,151</u>    | <u>\$ 429,961</u> | <u>\$ -</u> | <u>\$ -</u>    | <u>\$ 669,112</u> |

### NOTE 6. LONG-TERM LIABILITIES

#### A. Financed Purchases – Governmental Activities

The City has a financed purchase agreement with Truist Bank. The agreement was executed in August 2017 with a ten-year term of 120 monthly payments to acquire a fire truck. The agreement has an annual interest rate of 2.48% and maturity date of February 17, 2027.

The City has a financed purchase agreement with Truist Bank. The agreement was executed in December 2018 with a ten-year term of 40 quarterly payments to acquire a mobile command vehicle. The vehicles have ten-year estimated useful lives. The agreement has an annual interest rate of 3.60% and maturity date of March 5, 2029.

Financed purchase requirements to maturity are as follows:

| <u>Fiscal year ending June 30,</u> | <u>Principal</u>  | <u>Interest</u>  | <u>Total</u>      |
|------------------------------------|-------------------|------------------|-------------------|
| 2024                               | \$ 171,582        | \$ 23,350        | \$ 194,932        |
| 2025                               | 177,142           | 17,790           | 194,932           |
| 2026                               | 182,884           | 12,048           | 194,932           |
| 2027                               | 149,598           | 6,173            | 155,771           |
| 2028                               | 97,795            | 3,088            | 100,883           |
| Total                              | <u>\$ 779,001</u> | <u>\$ 62,449</u> | <u>\$ 841,450</u> |

#### B. Note Payable – Direct Borrowing – Governmental Activities

City Hall Loan – The City has a loan agreement with the JPMorgan Chase Bank. This loan was executed on May 10, 2019 in the amount of \$2,500,000. The loan has an annual interest rate of 2.5% and maturity date of May 10, 2029.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

#### B. Note Payable – Direct Borrowing – Governmental Activities (Continued)

Annual debt service requirements to maturity are as follows:

| <u>Fiscal year ending June 30,</u> | <u>Principal</u>    | <u>Interest</u>   | <u>Total</u>        |
|------------------------------------|---------------------|-------------------|---------------------|
| 2024                               | \$ 247,360          | \$ 35,970         | \$ 283,330          |
| 2025                               | 253,615             | 29,715            | 283,330             |
| 2026                               | 260,029             | 23,301            | 283,330             |
| 2027                               | 266,605             | 16,725            | 283,330             |
| 2028                               | 273,347             | 9,983             | 283,330             |
| 2029                               | 251,488             | 3,084             | 254,572             |
| Total                              | <u>\$ 1,552,444</u> | <u>\$ 118,778</u> | <u>\$ 1,671,222</u> |

#### C. Leases Payable – Governmental Activities

In January 2022, the City entered into a 64-month lease agreement as lessee for the use of office space. An initial lease liability was recorded in the amount of \$245,280. As of June 30, 2023, the value of the lease liability was \$194,389. The City is required to make monthly principal and interest payments in the amount of \$1,976 for four months, increasing to \$4,000 for the next 12 months with a 5% increase annually for the remaining lease term. The lease has an interest rate of 3.60%, the City's incremental borrowing rate. The office space has a five-year estimated useful life and the value of the right-to-use asset as of the end of the current fiscal year was \$245,280 and had accumulated amortization of \$68,985.

In August 2022, the City entered into a 24-month lease agreement as lessee for the use of office space. An initial lease liability was recorded in the amount of \$88,723. As of June 30, 2023, the value of the lease liability was \$49,476. The City is required to make monthly principal and interest payments in the amount of \$3,800 for 12 months, increasing to \$3,914 for the next 12 months. The lease has an interest rate of 4.435%, the City's incremental borrowing rate. The office space has a two-year estimated useful life and the value of the right-to-use asset as of the end of the current fiscal year was \$88,723 and had accumulated amortization of \$40,665.

In November 2022, the City entered into a 74-month lease agreement as lessee for the use of office space. An initial lease liability was recorded in the amount of \$458,896. As of June 30, 2023, the value of the lease liability was \$417,412. The City is required to make monthly principal and interest payments in the amount of \$6,600 for 14 months, increasing to \$6,798 for the next 12 months with a 3% increase annually for the remaining lease term. The lease has an interest rate of 4.435%, the City's incremental borrowing rate. The office space has a seven-year estimated useful life and the value of the right-to-use asset as of the end of the current fiscal year was \$458,896 and had accumulated amortization of \$49,610.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

#### C. Leases Payable – Governmental Activities (Continued)

Annual debt service requirements to maturity for the City's leases are as follows:

| <u>Fiscal year ending June 30,</u> | <u>Principal</u>  | <u>Interest</u>  | <u>Total</u>      |
|------------------------------------|-------------------|------------------|-------------------|
| 2024                               | \$ 153,258        | \$ 24,804        | \$ 178,062        |
| 2025                               | 121,113           | 18,961           | 140,074           |
| 2026                               | 127,344           | 13,969           | 141,313           |
| 2027                               | 127,879           | 8,583            | 136,462           |
| 2028                               | 86,364            | 4,113            | 90,477            |
| 2029                               | 45,319            | 588              | 45,907            |
| Total                              | <u>\$ 661,277</u> | <u>\$ 71,018</u> | <u>\$ 732,295</u> |

#### D. Notes Payable – Direct Borrowing – Business-type Activities

**GEFA Loan** - The City has a loan with the Georgia Environmental Finance Authority ("GEFA"), a state agency. The GEFA makes low interest long-term loans to fund improvements to publicly owned water and sewer systems. The loan proceeds were used to fund construction of a 500,000-gallon elevated water tank. This loan was executed on August 1, 2016 in the amount of \$1,953,990. The loan has an annual interest rate of 3.03% and maturity date of August 1, 2036. As of June 30, 2023, the loan balance was \$1,414,253.

**USDA Loan** - The City has a loan with the United States Department of Agriculture ("USDA"), Rural Development, Community Programs Division. This loan provided funding for construction of the City's wastewater treatment plant and other water and sewer capital improvements. On June 18, 2012, the 2.75% loan was executed at \$3,527,716, with a maturity date of June 18, 2052. A sinking fund account is set up for the loan to hold the required reserved as established by USDA. This amount is accounted for in the Water and Sewer Enterprise Fund cash and investments balance. As of June 30, 2023, the loan balance was \$2,904,021.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

#### D. Notes Payable – Direct Borrowing – Business-type Activities (Continued)

Annual debt service requirements to maturity for the City's business-type activity notes are as follows:

| <u>Fiscal year ending June 30,</u> | <u>Principal</u>    | <u>Interest</u>     | <u>Total</u>        |
|------------------------------------|---------------------|---------------------|---------------------|
| 2024                               | \$ 155,598          | \$ 120,428          | \$ 276,026          |
| 2025                               | 160,188             | 115,838             | 276,026             |
| 2026                               | 164,912             | 111,114             | 276,026             |
| 2027                               | 169,777             | 106,249             | 276,026             |
| 2028                               | 174,785             | 101,241             | 276,026             |
| 2029 – 2033                        | 954,390             | 425,740             | 1,380,130           |
| 2034 – 2038                        | 854,069             | 283,417             | 1,137,486           |
| 2039 – 2043                        | 531,639             | 196,521             | 728,160             |
| 2044 – 2048                        | 609,907             | 118,253             | 728,160             |
| 2049 – 2052                        | 543,009             | 30,561              | 573,570             |
| Total                              | <u>\$ 4,318,274</u> | <u>\$ 1,609,362</u> | <u>\$ 5,927,636</u> |

#### E. SBITA Liability

The City had two SBITA's as of June 30, 2023, both of which will terminate during the next fiscal year. The ending liability as of June 30, 2023 was \$35,749, all of which is due within one year and the City used its incremental borrowing rate to compute the liability.

#### F. Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2023 was as follows:

|   | <u>Beginning<br/>Balance</u> | <u>Additions</u>    | <u>Reductions</u>     | <u>Ending<br/>Balance</u> | <u>Due Within<br/>One Year</u> |
|---|------------------------------|---------------------|-----------------------|---------------------------|--------------------------------|
| <b>Governmental activities:</b>                 |                              |                     |                       |                           |                                |
| Financed purchases                              | \$ 944,718                   | \$ -                | \$ (165,717)          | \$ 779,001                | \$ 171,582                     |
| Note payable - direct borrowing                 | 1,793,679                    | -                   | (241,235)             | 1,552,444                 | 247,360                        |
| Leases  | 234,989                      | 547,619             | (121,331)             | 661,277                   | 153,258                        |
| SBITAs  | 16,866                       | 74,196              | (55,313)              | 35,749                    | 35,749                         |
| Net pension liability                           | (1,263,689)                  | 2,663,672           | (227,437)             | 1,172,546                 | -                              |
| Compensated absences                            | 255,080                      | 440,767             | (390,791)             | 305,056                   | 198,425                        |
| Governmental activity<br>long-term liabilities  | <u>\$ 1,981,643</u>          | <u>\$ 3,726,254</u> | <u>\$ (1,201,824)</u> | <u>\$ 4,506,073</u>       | <u>\$ 806,374</u>              |
| <b>Business-type activities:</b>                |                              |                     |                       |                           |                                |
| Notes payable - direct borrowing                | \$ 4,469,198                 | \$ -                | \$ (150,924)          | \$ 4,318,274              | \$ 155,598                     |
| Net pension liability                           | (23,678)                     | 42,762              | (260)                 | 18,824                    | -                              |
| Business-type activity<br>long-term liabilities | <u>\$ 4,445,520</u>          | <u>\$ 42,762</u>    | <u>\$ (151,184)</u>   | <u>\$ 4,337,098</u>       | <u>\$ 155,598</u>              |

For governmental activities, compensated absences are generally liquidated by the General Fund.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2023 is as follows:

| <u>Receivable Fund</u> | <u>Payable Fund</u>   | <u>Amount</u>     |
|------------------------|-----------------------|-------------------|
| General Fund           | Capital projects fund | \$ 16,290         |
| General Fund           | Hotel/motel tax fund  | 62,297            |
| General Fund           | Water and sewer fund  | 66,706            |
|                        |                       | <u>\$ 145,293</u> |

These balances resulted from time lag between the dates the: 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

The composition of interfund transfers as of June 30, 2023 is as follows:

| <u>Transfers In</u> | <u>Transfers Out</u> | <u>Amount</u>       |
|---------------------|----------------------|---------------------|
| General Fund        | ARPA Fund            | \$ 3,600,300        |
| General Fund        | Hotel/Motel Tax Fund | 778,466             |
| ARPA Fund           | General Fund         | 1,800,150           |
|                     |                      | <u>\$ 6,178,916</u> |

Transfers are used to: 1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them, and 2) use unrestricted revenues collected in the General Fund to finance various programs accounts for in other funds in accordance with budgetary authorizations.

### NOTE 8. PENSION PLANS

#### A. Plan Description

The City of Port Wentworth Retirement Plan (the "Plan") provides pensions for all full-time employees of the City eligible for participation in the Plan. The Plan is affiliated with the Georgia Municipal Employees Benefit System ("GMEBS"), a state-wide, agent multiple-employer pension plan administrated by the Georgia Municipal Association. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by writing to:

Georgia Municipal Employees Benefit System  
201 Pryor Street, SW  
Atlanta, Georgia 30303

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 8. PENSION PLANS (CONTINUED)

#### B. Benefits Provided

The Plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to vested employees. Employees become vested after five years of service to the City. Officials are vested immediately and will receive a retirement benefit of \$10 per month per year. These benefit provisions and all other requirements are established by local ordinance.

#### C. Employee Participation

At June 30, 2023, the following employees were covered by the Plan:

|   |            |
|---|------------|
| Inactive plan members or beneficiaries currently receiving benefits | 52         |
| Inactive plan members entitled to, but not receiving benefits       | 70         |
| Active employees  | 60         |
| Active elected officials  | 7          |
| Total   | <u>189</u> |

#### D. Contributions

The GMEBS Board of Trustees has adopted an actuarial funding policy for determination of annual contributions and the systematic funding of liabilities arising under the Plan. The annual minimum contribution is the sum of: 1) the normal cost (including administrative expenses), 2) the closed level dollar amortization of the unfunded actuarial accrued liability over a period that ranges from 10 to 30 years based on the funding policy adopted by the GMEBS Board of Trustees, and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly). The GMEBS Board of Trustees has adopted an actuarial funding policy that requires a different funding level than the state estimated minimum annual contribution in an effort to minimize fluctuations in annual contribution amounts and to accumulate sufficient funds to secure benefits under the plan. If the employer contributes the recommended contribution developed under the actuarial funding policy each year, the Plan will meet applicable state funding standards. The estimated minimum annual contribution under these standards is \$173,430.

#### E. Net Pension Liability

The City's net pension liability was measured as of September 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022, with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2022.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. PENSION PLANS (CONTINUED)

#### E. Net Pension Liability (Continued)

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

|                           |   |
|---------------------------|---|
| Inflation                 | 2.25%                                     |
| Salary increases          | 2.25%, plus service based merit increases |
| Investment rate of return | 7.375%                                    |

Mortality rates were based on the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.

The actuarial assumptions used in the January 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2022 are summarized in the following table:

| Asset class           | Target<br>allocation | Long-term<br>expected real<br>rate of return* |
|-----------------------|----------------------|---|
| Domestic equity       | 45%                  | 6.40%   |
| International equity  | 20%                  | 6.80  |
| Domestic fixed income | 20%                  | 0.40  |
| Real estate           | 10%                  | 3.90  |
| Global fixed income   | 5%                   | 0.46  |
| Cash                  | 0%                   |   |
| Total                 | <u>100%</u>          |   |

\* Rates shown are net of the 2.25% assumed rate of inflation.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. PENSION PLANS (CONTINUED)

#### E. Net Pension Liability (Continued)

*Discount rate.* The discount rate used to measure the total pension liability was 7.375%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

*Changes in the Net Pension Liability of the City.* The changes in the components of the net pension liability of the City for the year ended June 30, 2023 were as follows:

|   | Total Pension<br>Liability<br>(a) | Plan Fiduciary<br>Net Position<br>(b) | Net Pension<br>Liability<br>(a) - (b) |
|---|-----------------------------------|---------------------------------------|---------------------------------------|
| <b>Beginning Balance</b>                                      | \$ 8,899,292                      | \$ 10,181,576                         | \$ (1,282,284)                        |
| <b>Changes for the year</b>                                   |                                   |                                       |                                       |
| Service cost  | 232,556                           | -                                     | 232,556                               |
| Interest  | 658,462                           | -                                     | 658,462                               |
| Differences between expected and actual experience            | 144,252                           | -                                     | 144,252                               |
| Contributions - employer                                      | -                                 | 232,780                               | (232,780)                             |
| Net investment income   | -                                 | (1,647,914)                           | 1,647,914                             |
| Benefit payments, including refunds of employee contributions | (407,106)                         | (407,106)                             | -                                     |
| Administrative expense  | -                                 | (23,250)                              | 23,250                                |
| <b>Net changes</b>  | 628,164                           | (1,845,490)                           | 2,473,654                             |
| <b>Ending Balance</b>   | \$ 9,527,456                      | \$ 8,336,086                          | \$ 1,191,370                          |

The required Schedule of Changes in the City's Net Pension Liability and Related Ratios immediately following the Notes to the Financial Statements presents multi-year trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.



## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. PENSION PLANS (CONTINUED)

#### E. Net Pension Liability (Continued)

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

|                              | 1% Decrease<br>(6.375%) | Current<br>Discount Rate<br>(7.375%) | 1% Increase<br>(8.375%) |
|------------------------------|-------------------------|--------------------------------------|-------------------------|
| City's net pension liability | \$ 2,609,999            | \$ 1,191,370                         | \$ 48,065               |

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2022, and the current sharing pattern of costs between employer and employee.

#### F. Pension Expense and Deferred Outflows of Resources Related to Pensions

For the year ended June 30, 2023, the City recognized pension expense of \$516,541 and deferred outflows of resources related to pensions as follows:

|  | <b>Deferred Outflows<br/>of Resources</b> |
|--|---|
| Net difference between projected and actual earnings on pension plan investments | \$ 1,064,862                              |
| Differences between expected and actual experience                               | 175,985                                   |
| City contributions subsequent to the measurement date                            | 257,829                                   |
| Total  | <u>\$ 1,498,676</u>                       |

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 8. PENSION PLANS (CONTINUED)

#### F. Pension Expense and Deferred Outflows of Resources Related to Pensions (Continued)

The amount of deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date, \$257,829, will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources related to pensions are projected to be recognized in future years as follows:

| <u>Year ending June 30,</u> |                     |
|-----------------------------|---------------------|
| 2024                        | \$ 352,005          |
| 2025                        | 214,281             |
| 2026                        | 196,256             |
| 2027                        | 478,305             |
| Total                       | <u>\$ 1,240,847</u> |

### NOTE 9. DEFINED CONTRIBUTION PENSION PLAN

In April 2001, the City elected to participate in the Georgia Municipal Association ("GMA") 401(a) Defined Contribution Plan (the "Plan"). The Plan is administered by GMA. There are two participants in the Plan and the City contributes 8.5% and 12.5% of the eligible participant's salary (employer portion). There are no required contributions by Plan members. Contributions are 100% vested from the time credited to the participant's account and, therefore, upon a participant's separation from service, there are no forfeitures of employer contributions. Plan provisions are established in the Plan Adoption Agreement and may be amended by City Council, so long as the amendment is not inconsistent with the Plan, the Internal Revenue Code or other applicable law and is approved by the trustees of the Plan. During the year ended June 30, 2023, the City made contributions of \$23,742 to the Plan.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 10. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the coastal Georgia area, is a member of the Coastal Regional Commission ("CRC") and is required to pay annual dues thereto. During the year ended June 30, 2023, the City paid \$14,141 in such dues. Membership in the CRC is required by the O.C.G.A. §50-8-34 which provides for the organizational structure of regional development commissions in Georgia. The CRC Board membership includes the chief elected official of each county and municipality of the area. O.C.G.A. §50-8-39.1 provides that the member governments are liable for any debts or obligations of a regional development commission. Separate financial statements may be obtained from:

Coastal Regional Commission  
1181 Coastal Drive SW  
Darien, Georgia 31305

### NOTE 11. RISK MANAGEMENT

The City is exposed to various risks of losses related to: torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Georgia Municipal Association Group Self-Insurance Workers' Compensation Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments.

As part of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The City is also to allow the pools' agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds.

The City pays unemployment claims to the State Department of Labor on a reimbursement basis. Liabilities for such claims are immaterial and are not accrued. Settled claims in the past three years have not exceeded the coverages.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 12. COMMITMENTS AND CONTINGENCIES

#### Litigation

Various claims are pending against the City. Liability, if any, which might result from these claims, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the City.

#### Grant Contingencies

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, management of the City believes such disallowances, if any, will not be significant.

#### Construction Commitments

In addition to the liabilities enumerated in the Balance Sheet at June 30, 2023, the City has contractual commitments on uncompleted contracts of \$1,089,203.

### NOTE 13. TAX ABATEMENTS

The City has entered into tax abatement agreements to promote economic development in Chatham County through the Savannah Economic Development Authority ("SEDA"). SEDA can enter into agreements for industrial projects to encourage the creation of jobs and new capital investment through an "Investment Assistance Program". Georgia case law and statutory provisions, including the Development Authorities Law (Title 36 Chapter 62 of the Official Code of Georgia Annotated), provide SEDA with the power to enter into such agreements with businesses. The City has determined that these agreements will promote and expand industry and trade within the City and reduce unemployment to the greatest extent possible, in furtherance of the public purposes for which they were created. For the year ended June 30, 2023, the City abated property taxes of \$109,589.

### NOTE 14. SUBSEQUENT EVENTS

The City entered into a First Responder and Public Works Equipment Loan through GMA/Truist Bank. The loan amount is \$700,000 with a three-year term and an interest rate of 5.27%. The effective date of the loan is July 1, 2023 and it terminates on July 31, 2026.

The City entered into a Fire Station/Headquarters Construction Loan through GMA/Truist Bank. The loan amount is \$9,300,000 with a 20-year term and an interest rate of 4.64%. The effective date of the loan is October 13, 2023 and it terminates on October 15, 2043.

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 14. SUSBSEQUENT EVENTS (CONTINUED)**

The City of Port Wentworth Development Authority (the "Authority") was established on September 15, 2023. The Authority has been authorized by the General Assembly of Georgia and has been created and activated as a development authority under O.C.G.A. §36-62-1, et seq. by a resolution of the governing body of the City, duly filed with the Secretary of the State of Georgia. The Authority was created to develop and promote for the public good and general welfare trade, commerce, industry, and employment opportunities of the City in accordance with the Development Authority Law. The Authority will encourage cooperation among economic development organizations with the County and City and exercise all the powers granted to a development authority pursuant to the provisions of the Development Authority Law.

# Required Supplementary Information Other Than Management's Discussion & Analysis



# CITY OF PORT WENTWORTH, GEORGIA

## GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2023

|                               | Budget       |              | Actual       | Variance With<br>Final Budget |
|-------------------------------|--------------|--------------|--------------|-------------------------------|
|                               | Original     | Final        |              |                               |
| <b>Revenues</b>               |              |              |              |                               |
| Taxes                         | \$ 7,171,004 | \$ 9,018,928 | \$ 9,653,908 | \$ 634,980                    |
| Licenses and permits          | 662,992      | 1,075,974    | 982,092      | (93,882)                      |
| Intergovernmental             | 1,883,893    | 1,992,039    | 144,362      | (1,847,677)                   |
| Charges for services          | 2,386,050    | 2,760,494    | 1,723,692    | (1,036,802)                   |
| Fines and forfeitures         | 1,690,000    | 1,788,233    | 2,742,539    | 954,306                       |
| Investment income             | 15,000       | 627,299      | 638,769      | 11,470                        |
| Miscellaneous                 | 45,500       | 247,087      | 149,653      | (97,434)                      |
| Total revenues                | 13,854,439   | 17,510,054   | 16,035,015   | (1,475,039)                   |
| <b>Expenditures</b>           |              |              |              |                               |
| Current                       |              |              |              |                               |
| General government:           |              |              |              |                               |
| City council                  | 177,482      | 177,948      | 149,209      | 28,739                        |
| Mayor                         | 54,548       | 45,438       | 22,381       | 23,057                        |
| General administration        | 1,666,392    | 2,439,702    | 2,439,702    | -                             |
| Technology                    | 525,005      | 937,525      | 843,730      | 93,795                        |
| Total general government      | 2,423,427    | 3,600,613    | 3,455,022    | 145,591                       |
| Judicial:                     |              |              |              |                               |
| Municipal court               | 294,132      | 547,235      | 508,014      | 39,221                        |
| Total judicial                | 294,132      | 547,235      | 508,014      | 39,221                        |
| Public safety:                |              |              |              |                               |
| Police                        | 5,863,654    | 6,963,340    | 4,874,915    | 2,088,425                     |
| Fire                          | 4,079,222    | 5,807,741    | 5,777,401    | 30,340                        |
| Emergency management          | 98,020       | 84,020       | 48,699       | 35,321                        |
| Total public safety           | 10,040,896   | 12,855,101   | 10,701,015   | 2,154,086                     |
| Public works:                 |              |              |              |                               |
| Highways and streets          | 642,584      | 1,297,460    | 1,089,483    | 207,977                       |
| Storm drainage                | 3,875,786    | 330,130      | 323,919      | 6,211                         |
| Sanitation                    | 1,252,749    | 1,488,338    | 1,488,334    | 4                             |
| Total public works            | 5,771,119    | 3,115,928    | 2,901,736    | 214,192                       |
| Culture and recreation:       |              |              |              |                               |
| Recreation                    | 904,785      | 1,023,209    | 753,752      | 269,457                       |
| Total culture and recreation  | 904,785      | 1,023,209    | 753,752      | 269,457                       |
| Housing and development:      |              |              |              |                               |
| Inspections                   | 702,343      | 708,833      | 591,800      | 117,033                       |
| Total housing and development | \$ 702,343   | \$ 708,833   | \$ 591,800   | \$ 117,033                    |

(Continued)

# CITY OF PORT WENTWORTH, GEORGIA

## GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2023

|   | Budget        |               | Actual        | Variance With<br>Final Budget |
|---|---------------|---------------|---------------|-------------------------------|
|   | Original      | Final         |               |                               |
| <b>Expenditures (Continued)</b>           |               |               |               |                               |
| Current (Continued)                       |               |               |               |                               |
| Debt service:                             |               |               |               |                               |
| Principal                                 | \$ 404,099    | \$ 583,596    | \$ 583,596    | \$ -                          |
| Interest                                  | 74,164        | 94,223        | 94,223        | -                             |
| Total debt service                        | 478,263       | 677,819       | 677,819       | -                             |
| Total expenditures                        | 20,614,965    | 22,528,738    | 19,589,158    | 2,939,580                     |
| Deficiency of revenues under expenditures | (6,760,526)   | (5,018,684)   | (3,554,143)   | 1,464,541                     |
| <b>Other financing sources (uses)</b>     |               |               |               |                               |
| Sale of capital assets                    | -             | 38,967        | 159,762       | 120,795                       |
| Leases and SBITAs                         | -             | -             | 621,815       | 621,815                       |
| Transfers in                              | 6,760,526     | 3,251,067     | 4,378,766     | 1,127,699                     |
| Transfers out                             | -             | (1,800,150)   | (1,800,150)   | -                             |
| Total other financing sources, net        | 6,760,526     | 1,489,884     | 3,360,193     | 1,870,309                     |
| Net change in fund balances               | -             | (3,528,800)   | (193,950)     | 3,334,850                     |
| <b>Fund balances, beginning of year</b>   | 16,697,429    | 16,697,429    | 16,697,429    | -                             |
| <b>Fund balances, end of year</b>         | \$ 16,697,429 | \$ 13,168,629 | \$ 16,503,479 | \$ 3,334,850                  |



# CITY OF PORT WENTWORTH, GEORGIA

## ARPA FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2023

|  | Budget              |                     |              | Variance With         |
|--|---------------------|---------------------|--------------|-----------------------|
|  | Original            | Final               | Actual       | Final Budget          |
| <b>Revenues</b>                              |                     |                     |              |                       |
| Intergovernmental                            | \$ -                | \$ -                | \$ 1,800,150 | \$ 1,800,150          |
| Total revenues                               | -                   | -                   | 1,800,150    | 1,800,150             |
| <b>Expenditures</b>                          |                     |                     |              |                       |
| Current:                                     |                     |                     |              |                       |
| General government:                          |                     | 228,369             | 228,369      | -                     |
| Judicial                                     | -                   | 42,280              | 42,280       | -                     |
| Public safety                                | -                   | 1,230,531           | 1,230,531    | -                     |
| Public works                                 | -                   | 74,928              | 74,928       | -                     |
| Culture and recreation                       | -                   | 134,120             | 134,120      | -                     |
| Housing and development                      | -                   | 89,922              | 89,922       | -                     |
| Total expenditures                           | -                   | 1,800,150           | 1,800,150    | -                     |
| Deficiency of revenues<br>under expenditures | -                   | (1,800,150)         | -            | 1,800,150             |
| <b>Other financing sources (uses)</b>        |                     |                     |              |                       |
| Transfers in                                 | -                   | 1,800,150           | 1,800,150    | -                     |
| Transfers out                                | -                   | -                   | (3,600,300)  | (3,600,300)           |
| Total other financing sources (uses)         | -                   | 1,800,150           | (1,800,150)  | (3,600,300)           |
| Net change in fund balances                  | -                   | -                   | (1,800,150)  | (1,800,150)           |
| <b>Fund balances, beginning of year</b>      | 1,800,150           | 1,800,150           | 1,800,150    | -                     |
| <b>Fund balances, end of year</b>            | <u>\$ 1,800,150</u> | <u>\$ 1,800,150</u> | <u>\$ -</u>  | <u>\$ (1,800,150)</u> |

# CITY OF PORT WENTWORTH, GEORGIA

## HOTEL/MOTEL TAX FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2023

|   | Budget      |              | Actual       | Variance With<br>Final Budget |
|---|-------------|--------------|--------------|-------------------------------|
|   | Original    | Final        |              |                               |
| <b>Revenues</b>                         |             |              |              |                               |
| Taxes                                   | \$ 900,000  | \$ 1,556,304 | \$ 1,556,304 | \$ -                          |
| Interest income                         | -           | 316          | 316          | -                             |
| Total revenues                          | 900,000     | 1,556,620    | 1,556,620    | -                             |
| <b>Expenditures</b>                     |             |              |              |                               |
| Intergovernmental                       | 450,000     | 778,154      | 778,154      | -                             |
| Total expenditures                      | 450,000     | 778,154      | 778,154      | -                             |
| Excess of revenues<br>over expenditures | 450,000     | 778,466      | 778,466      | -                             |
| <b>Other financing uses</b>             |             |              |              |                               |
| Transfers out                           | (450,000)   | (778,466)    | (778,466)    | -                             |
| Total other financing uses              | (450,000)   | (778,466)    | (778,466)    | -                             |
| Net change in fund balances             | -           | -            | -            | -                             |
| <b>Fund balances, beginning of year</b> | -           | -            | -            | -                             |
| <b>Fund balances, end of year</b>       | <u>\$ -</u> | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>                   |

# CITY OF PORT WENTWORTH, GEORGIA

## NOTES TO BUDGET TO ACTUAL SCHEDULES FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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### NOTE 1. BUDGETARY INFORMATION

#### Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General and Special Revenue Funds. The level of legal budgetary control (the level at which expenditures may not exceed appropriations) is at the department level.

Supplemental appropriations and decreases in budget appropriations were properly approved by the City Council. For the year ended June 30, 2023, the following supplemental increase and decrease in appropriations were approved.

| <u>Fund</u>     | <u>Original<br/>Appropriations</u> | <u>Supplemental<br/>Appropriations</u> | <u>Supplemental<br/>Decreases</u> | <u>Final<br/>Appropriations</u> |
|-----------------|------------------------------------|--|-----------------------------------|---------------------------------|
| General         | \$ 20,614,965                      | \$ 1,913,773                           | \$ -                              | \$ 22,528,738                   |
| Hotel/motel tax | 450,000                            | 328,154                                | -                                 | 778,154                         |
| ARPA            | -                                  | 1,800,150                              | -                                 | 1,800,150                       |

Department heads, with the approval of the City Manager, may transfer appropriations within their department. Interdepartmental transfers require the approval of the City Manager.

# CITY OF PORT WENTWORTH, GEORGIA

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS FOR THE FISCAL YEARS ENDED JUNE 30,

|   | 2023                | 2022                  | 2021                | 2020                |
|---|---------------------|-----------------------|---------------------|---------------------|
| <b>Total pension liability</b>  |                     |                       |                     |                     |
| Service cost  | \$ 232,556          | \$ 192,814            | \$ 186,803          | \$ 168,952          |
| Interest on total pension liability   | 658,462             | 622,681               | 574,328             | 548,377             |
| Differences between expected and actual experience                                | 144,252             | 24,179                | 270,908             | 135,573             |
| Changes of assumptions  | -                   | -                     | -                   | (18,881)            |
| Changes of benefit terms  | -                   | -                     | -                   | -                   |
| Benefit payments, including refunds of employee contributions                     | (407,106)           | (381,413)             | (383,409)           | (368,710)           |
| <b>Net change in total pension liability</b>                                      | <b>628,164</b>      | <b>458,261</b>        | <b>648,630</b>      | <b>465,311</b>      |
| <b>Total pension liability - beginning</b>  | <b>8,899,292</b>    | <b>8,441,031</b>      | <b>7,792,401</b>    | <b>7,327,090</b>    |
| <b>Total pension liability - ending (a)</b>                                       | <b>\$ 9,527,456</b> | <b>\$ 8,899,292</b>   | <b>\$ 8,441,031</b> | <b>\$ 7,792,401</b> |
| <b>Plan fiduciary net position</b>  |                     |                       |                     |                     |
| Contributions - employer  | \$ 232,780          | \$ 166,466            | \$ 196,073          | \$ 204,475          |
| Net investment income   | (1,647,914)         | 2,020,809             | 751,971             | 228,654             |
| Benefit payments, including refunds of member contributions                       | (407,106)           | (381,413)             | (383,409)           | (368,710)           |
| Administrative expenses   | (23,250)            | (21,024)              | (19,961)            | (19,285)            |
| <b>Net change in plan fiduciary net position</b>                                  | <b>(1,845,490)</b>  | <b>1,784,838</b>      | <b>544,674</b>      | <b>45,134</b>       |
| <b>Plan fiduciary net position - beginning</b>                                    | <b>10,181,576</b>   | <b>8,396,738</b>      | <b>7,852,064</b>    | <b>7,806,930</b>    |
| <b>Plan fiduciary net position - ending (b)</b>                                   | <b>\$ 8,336,086</b> | <b>\$ 10,181,576</b>  | <b>\$ 8,396,738</b> | <b>\$ 7,852,064</b> |
| <b>City's net pension liability (asset) - ending (a) - (b)</b>                    | <b>\$ 1,191,370</b> | <b>\$ (1,282,284)</b> | <b>\$ 44,293</b>    | <b>\$ (59,663)</b>  |
| <b>Plan fiduciary net position as a percentage of the total pension liability</b> | <b>87.5%</b>        | <b>114.4%</b>         | <b>99.5%</b>        | <b>100.8%</b>       |
| <b>Covered payroll</b>  | <b>\$ 5,252,310</b> | <b>\$ 4,160,964</b>   | <b>\$ 3,664,175</b> | <b>\$ 3,082,614</b> |
| <b>Net pension liability (asset) as a percentage of covered payroll</b>           | <b>22.7%</b>        | <b>-30.8%</b>         | <b>1.2%</b>         | <b>-1.9%</b>        |

**Notes to the Schedule:**

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

| 2019                | 2018                | 2017                | 2016                |
|---------------------|---------------------|---------------------|---------------------|
| \$ 165,255          | \$ 136,548          | \$ 115,559          | \$ 97,877           |
| 508,526             | 493,644             | 453,854             | 439,379             |
| 191,283             | (96,982)            | 134,050             | (89,257)            |
| -                   | -                   | -                   | -                   |
| -                   | 83,834              | -                   | -                   |
| (306,135)           | (273,935)           | (269,196)           | (253,230)           |
| 558,929             | 343,109             | 434,267             | 194,769             |
| 6,768,161           | 6,425,052           | 5,990,785           | 5,796,016           |
| <u>\$ 7,327,090</u> | <u>\$ 6,768,161</u> | <u>\$ 6,425,052</u> | <u>\$ 5,990,785</u> |
| \$ 150,949          | \$ 140,218          | \$ 127,716          | \$ 127,043          |
| 715,476             | 961,697             | 657,890             | 73,858              |
| (306,135)           | (273,935)           | (269,196)           | (253,230)           |
| (19,652)            | (22,401)            | (11,637)            | (13,055)            |
| 540,638             | 805,579             | 504,773             | (65,384)            |
| 7,266,292           | 6,460,713           | 5,955,940           | 6,021,324           |
| <u>\$ 7,806,930</u> | <u>\$ 7,266,292</u> | <u>\$ 6,460,713</u> | <u>\$ 5,955,940</u> |
| <u>\$ (479,840)</u> | <u>\$ (498,131)</u> | <u>\$ (35,661)</u>  | <u>\$ 34,845</u>    |
| 106.5%              | 107.4%              | 100.6%              | 99.4%               |
| \$ 2,594,412        | \$ 2,617,570        | \$ 2,054,379        | \$ 1,870,923        |
| -18.5%              | -19.0%              | -1.7%               | 1.9%                |

# CITY OF PORT WENTWORTH, GEORGIA

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CITY CONTRIBUTIONS - RETIREMENT PLAN FOR THE FISCAL YEARS ENDED JUNE 30,

|  | 2023         | 2022         | 2021         | 2020         | 2019         |
|--|--------------|--------------|--------------|--------------|--------------|
| Actuarially determined contribution                                  | \$ 258,185   | \$ 225,909   | \$ 199,745   | \$ 194,845   | \$ 186,916   |
| Contributions in relation to the actuarially determined contribution | 258,185      | 225,909      | 183,101      | 194,845      | 186,916      |
| Contribution deficiency (excess)                                     | \$ -         | \$ -         | \$ 16,644    | \$ -         | \$ -         |
| Covered payroll  | \$ 6,578,544 | \$ 4,707,465 | \$ 3,954,625 | \$ 3,584,441 | \$ 3,230,688 |
| Contributions as a percentage of covered payroll                     | 3.9%         | 4.8%         | 4.6%         | 5.4%         | 5.8%         |

|  | 2018         | 2017         | 2016         | 2015         |
|--|--------------|--------------|--------------|--------------|
| Actuarially determined contribution                                  | \$ 159,728   | \$ 131,182   | \$ 126,561   | \$ 127,203   |
| Contributions in relation to the actuarially determined contribution | 159,728      | 134,932      | 126,561      | 140,178      |
| Contribution deficiency (excess)                                     | \$ -         | \$ (3,750)   | \$ -         | \$ (12,975)  |
| Covered payroll  | \$ 3,380,772 | \$ 3,068,766 | \$ 2,555,161 | \$ 2,315,288 |
| Contributions as a percentage of covered payroll                     | 4.7%         | 4.4%         | 5.0%         | 6.1%         |

### Notes to the Schedule:

|                                  |   |
|----------------------------------|---|
| Valuation Date                   | January 1, 2023   |
| Cost Method                      | Projected Unit Credit   |
| Actuarial Asset Valuation Method | Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amounts that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value. |
| Assumed Rate of Return           |   |
| On Investments                   | 7.375%  |
| Projected Salary Increases       | 2.25%, plus service based merit increases   |
| Cost-of-living Adjustment        | 2.25%   |
| Amortization Method              | Closed level dollar for unfunded liability  |
| Remaining Amortization Period    | N/A   |

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

2023 information is estimated. This information will be finalized after the current fiscal year-end and included in the 2022 GMEBS actuarial report.

# Supplementary Data – Individual Fund Statements, Schedules and State Mandated Program Information



# CITY OF PORT WENTWORTH, GEORGIA

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL CONFISCATED ASSETS FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

|  | Budget    |           | Actual    | Variance With<br>Final Budget |
|--|-----------|-----------|-----------|-------------------------------|
|  | Original  | Final     |           |                               |
| <b>Revenues</b>                              |           |           |           |                               |
| Fines and forfeitures                        | \$ -      | \$ -      | \$ -      | \$ -                          |
| Total revenues                               | -         | -         | -         | -                             |
| <b>Expenditures</b>                          |           |           |           |                               |
| Current:                                     |           |           |           |                               |
| Public safety                                | -         | 7,442     | 6,950     | 492                           |
| Total expenditures                           | -         | 7,442     | 6,950     | 492                           |
| Deficiency of revenues<br>under expenditures | -         | (7,442)   | (6,950)   | (492)                         |
| <b>Other financing sources</b>               |           |           |           |                               |
| Transfers in                                 | -         | 7,442     | -         | 7,442                         |
| Total other financing sources                | -         | 7,442     | -         | 7,442                         |
| Net change in fund balances                  | -         | -         | (6,950)   | 6,950                         |
| <b>Fund balance, beginning of year</b>       | 41,582    | 41,582    | 41,582    | -                             |
| <b>Fund balance, end of year</b>             | \$ 41,582 | \$ 41,582 | \$ 34,632 | \$ 6,950                      |



# CITY OF PORT WENTWORTH, GEORGIA

## SCHEDULES OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| SPLOST 2014            |                               |                              |                     |                   |                     |
|------------------------|-------------------------------|------------------------------|---------------------|-------------------|---------------------|
| Project                | Original<br>Estimated<br>Cost | Current<br>Estimated<br>Cost | Prior<br>Years      | Current<br>Year   | Total               |
| Streets and roads      | \$ 2,002,600                  | \$ 2,260,960                 | \$ 2,260,960        | \$ -              | \$ 2,260,960        |
| Recreation             | 998,200                       | 998,200                      | 848,119             | 47,075            | 895,194             |
| Sewer systems          | 3,000,800                     | 2,742,440                    | 1,884,334           | 438,540           | 2,322,874           |
| Downtown redevelopment | 198,400                       | 198,400                      | 4                   | -                 | 4                   |
| Totals                 | <u>\$ 6,200,000</u>           | <u>\$ 6,200,000</u>          | <u>\$ 4,993,417</u> | <u>\$ 485,615</u> | <u>\$ 5,479,032</u> |

| SPLOST 2021                              |                               |                              |                     |                   |                     |
|--|-------------------------------|------------------------------|---------------------|-------------------|---------------------|
| Project                                  | Original<br>Estimated<br>Cost | Current<br>Estimated<br>Cost | Prior<br>Years      | Current<br>Year   | Total               |
| Roads and drainage                       | \$ 3,000,000                  | \$ 3,000,000                 | \$ 733,527          | \$ 91,029         | \$ 824,556          |
| Recreation                               | 4,000,000                     | 4,000,000                    | 1,830               | 752,468           | 754,298             |
| Sewer                                    | 1,500,000                     | 1,500,000                    | -                   | 85,712            | 85,712              |
| Police and fire vehicle<br>and equipment | 1,800,000                     | 1,800,000                    | 1,096,498           | -                 | 1,096,498           |
| Totals                                   | <u>\$ 10,300,000</u>          | <u>\$ 10,300,000</u>         | <u>\$ 1,831,855</u> | <u>\$ 929,209</u> | <u>\$ 2,761,064</u> |

**CITY OF PORT WENTWORTH, GEORGIA**

**SCHEDULE OF REQUIRED EXPENDITURES FUNDED  
BY THE HOTEL/MOTEL TAX  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

---

**REVENUES**

|                   |    |           |
|-------------------|----|-----------|
| Hotel/motel taxes | \$ | 1,556,304 |
|-------------------|----|-----------|

**EXPENDITURES**

|                      |    |         |
|----------------------|----|---------|
| Tourism expenditures | \$ | 778,154 |
|----------------------|----|---------|

|  |  |       |
|--|--|-------|
| Percentage of expenditures to revenues |  | 50.0% |
|--|--|-------|

## **STATISTICAL SECTION**

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# STATISTICAL SECTION

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This part of the City of Port Wentworth, Georgia's (the "City") Annual Comprehensive Financial Report ("ACFR") presents detailed information as a context for understanding what the information in the financial statements, note disclosures, required supplementary information, and supplementary information says about the City's overall financial health.

| <b><u>Contents</u></b>  | <b><u>Page</u></b> |
|---|--------------------|
| <b>Financial Trends .....</b>   | <b>65 – 70</b>     |
| <i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>  |                    |
| <b>Revenue Capacity .....</b>   | <b>71 – 73</b>     |
| <i>These schedules contain information to help the reader assess the City's most significant local revenue sources.</i>   |                    |
| <b>Debt Capacity .....</b>  | <b>74 – 77</b>     |
| <i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>                    |                    |
| <b>Demographic and Economic Information .....</b>   | <b>78 and 79</b>   |
| <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>   |                    |
| <b>Operating Information .....</b>  | <b>80 – 83</b>     |
| <i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i> |                    |

**Sources:** Unless otherwise noted, the information in these schedules is derived from the City's financial reports for the relevant year.

# CITY OF PORT WENTWORTH, GEORGIA

## NET POSITION BY ACTIVITY LAST TEN FISCAL YEARS

|   | Fiscal Year          |                      |                      |                      |                      |                      |                      |                      |                      |                      |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|   | 2014                 | 2015                 | 2016                 | 2017                 | 2018                 | 2019                 | 2020                 | 2021                 | 2022                 | 2023                 |
| Governmental activities:                    |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net investment in capital assets            | \$ 8,477,481         | \$ 8,797,563         | \$ 9,135,801         | \$ 10,914,871        | \$ 11,627,601        | \$ 12,884,726        | \$ 15,111,230        | \$ 15,994,864        | \$ 18,065,252        | \$ 22,152,701        |
| Restricted                                  | 3,201,828            | 2,117,207            | 2,975,435            | 3,057,708            | 4,222,296            | 3,823,848            | 2,551,493            | 3,736,585            | 5,551,521            | 4,868,832            |
| Unrestricted                                | 10,103,337           | 12,228,494           | 13,614,295           | 14,485,879           | 14,500,180           | 16,026,973           | 16,290,187           | 16,945,722           | 17,408,314           | 17,125,279           |
| Total governmental activities net position  | <u>\$ 21,782,646</u> | <u>\$ 23,143,264</u> | <u>\$ 25,725,531</u> | <u>\$ 28,458,458</u> | <u>\$ 30,350,077</u> | <u>\$ 32,735,547</u> | <u>\$ 33,952,910</u> | <u>\$ 36,677,171</u> | <u>\$ 41,025,087</u> | <u>\$ 44,146,812</u> |
| Business-type activities:                   |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net investment in capital assets            | \$ 21,748,916        | \$ 23,279,528        | \$ 22,607,526        | \$ 22,116,290        | \$ 22,045,154        | \$ 21,051,718        | \$ 20,274,557        | \$ 20,061,857        | \$ 19,248,797        | \$ 18,883,323        |
| Unrestricted                                | 6,583,724            | 6,951,289            | 8,425,775            | 8,825,703            | 8,820,412            | 10,600,998           | 11,503,547           | 12,120,500           | 13,808,616           | 15,817,679           |
| Total business-type activities net position | <u>\$ 28,332,640</u> | <u>\$ 30,230,817</u> | <u>\$ 31,033,301</u> | <u>\$ 30,941,993</u> | <u>\$ 30,865,566</u> | <u>\$ 31,652,716</u> | <u>\$ 31,778,104</u> | <u>\$ 32,182,357</u> | <u>\$ 33,057,413</u> | <u>\$ 34,701,002</u> |
| Primary government:                         |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net investment in capital assets            | \$ 30,226,397        | \$ 32,077,091        | \$ 31,743,327        | \$ 33,031,161        | \$ 33,672,755        | \$ 33,936,444        | \$ 35,385,787        | \$ 36,056,721        | \$ 37,314,049        | \$ 41,036,024        |
| Restricted                                  | 3,201,828            | 2,117,207            | 2,975,435            | 3,057,708            | 4,222,296            | 3,823,848            | 2,551,493            | 3,736,585            | 5,551,521            | 4,868,832            |
| Unrestricted                                | 16,687,061           | 19,179,783           | 22,040,070           | 23,311,582           | 23,320,592           | 26,627,971           | 27,793,734           | 29,066,222           | 31,216,930           | 32,942,958           |
| Total primary government net position       | <u>\$ 50,115,286</u> | <u>\$ 53,374,081</u> | <u>\$ 56,758,832</u> | <u>\$ 59,400,451</u> | <u>\$ 61,215,643</u> | <u>\$ 64,388,263</u> | <u>\$ 65,731,014</u> | <u>\$ 68,859,528</u> | <u>\$ 74,082,500</u> | <u>\$ 78,847,814</u> |

# CITY OF PORT WENTWORTH, GEORGIA

## CHANGES IN NET POSITION LAST TEN FISCAL YEARS

|   | Fiscal Year  |              |              |              |              |               |              |               |               |               |
|---|--------------|--------------|--------------|--------------|--------------|---------------|--------------|---------------|---------------|---------------|
|   | 2014         | 2015         | 2016         | 2017         | 2018         | 2019          | 2020         | 2021          | 2022          | 2023          |
| <b>Expenses</b>                                 |              |              |              |              |              |               |              |               |               |               |
| Primary government:                             |              |              |              |              |              |               |              |               |               |               |
| Governmental activities                         |              |              |              |              |              |               |              |               |               |               |
| General government                              | \$ 539,215   | \$ 588,291   | \$ 625,503   | \$ 632,190   | \$ 897,340   | \$ 821,532    | \$ 1,167,153 | \$ 1,062,812  | \$ 1,484,807  | \$ 3,110,785  |
| Public safety                                   | 136,874      | 144,817      | 180,179      | 185,659      | 220,545      | 236,265       | 202,130      | 669,141       | 712,082       | 9,241,284     |
| Public works                                    | 2,787,198    | 2,764,086    | 3,123,784    | 3,815,367    | 4,626,874    | 5,335,417     | 5,617,234    | 6,338,718     | 7,598,840     | 3,135,276     |
| Judicial  | 1,315,206    | 1,507,712    | 1,693,976    | 1,969,308    | 1,876,454    | 1,374,086     | 1,802,457    | 2,150,734     | 2,173,847     | 567,152       |
| Culture and recreation                          | 454,501      | 540,278      | 605,843      | 677,741      | 767,938      | 765,043       | 653,378      | 637,904       | 748,951       | 914,369       |
| Housing and development                         | 481,375      | 552,204      | 772,566      | 724,877      | 729,097      | 886,931       | 725,738      | 707,955       | 1,416,150     | 1,487,149     |
| Interest on long-term debt                      | -            | -            | -            | -            | -            | -             | 77,721       | 70,845        | 67,365        | 94,223        |
| Total governmental activities expenses          | 5,714,369    | 6,097,388    | 7,001,851    | 8,005,142    | 9,118,248    | 9,419,274     | 10,245,811   | 11,638,109    | 14,202,042    | 18,550,238    |
| Business-type activities                        |              |              |              |              |              |               |              |               |               |               |
| Water and sewer                                 | 3,086,475    | 3,279,096    | 3,321,289    | 3,731,195    | 4,005,541    | 4,631,080     | 4,916,788    | 4,903,159     | 5,315,912     | 5,919,630     |
| Total business-type activities expenses         | 3,086,475    | 3,279,096    | 3,321,289    | 3,731,195    | 4,005,541    | 4,631,080     | 4,916,788    | 4,903,159     | 5,315,912     | 5,919,630     |
| Total primary government expenses               | 8,800,844    | 9,376,484    | 10,323,140   | 11,736,337   | 13,123,789   | 14,050,354    | 15,162,599   | 16,541,268    | 19,517,954    | 24,469,868    |
| <b>Program revenues</b>                         |              |              |              |              |              |               |              |               |               |               |
| Governmental activities:                        |              |              |              |              |              |               |              |               |               |               |
| Charges for services:                           |              |              |              |              |              |               |              |               |               |               |
| General government                              | 29,803       | 33,749       | 39,836       | 37,331       | 34,477       | 50,297        | 50,920       | 48,125        | 56,068        | 52,211        |
| Public safety                                   | 1,104,821    | 1,577,991    | 1,379,388    | 1,312,118    | 1,502,420    | 1,862,753     | 2,093,858    | 2,665,947     | 3,189,011     | 2,515,190     |
| Public works                                    | 937,730      | 956,050      | 1,040,913    | 1,117,330    | 1,136,205    | 1,152,822     | 1,225,842    | 1,323,327     | 1,377,109     | 1,458,329     |
| Culture and recreation                          | 13,876       | 16,357       | 23,931       | 36,741       | 45,048       | 44,733        | 18,364       | 8,489         | 23,024        | 56,016        |
| Housing and development                         | 208,181      | 184,435      | 275,555      | 206,863      | 272,502      | 443,791       | 537,463      | 682,216       | 1,067,339     | 1,366,577     |
| Operating grants and contributions              | 62,588       | 52,943       | 112,032      | 291,784      | 202,841      | 75,158        | 92,324       | 504,804       | 1,963,491     | 1,800,150     |
| Capital grants and contributions                | 646,579      | 1,008,942    | 1,168,316    | 1,498,119    | 1,414,816    | 1,452,810     | 932,199      | 1,951,516     | 2,352,260     | 2,736,012     |
| Total governmental activities program revenues  | 3,003,578    | 3,830,467    | 4,039,971    | 4,500,286    | 4,608,309    | 5,082,364     | 4,950,970    | 7,184,424     | 10,028,302    | 9,984,485     |
| Business-type activities:                       |              |              |              |              |              |               |              |               |               |               |
| Charges for services <sup>(a)</sup>             | 2,711,568    | 2,640,802    | 2,863,568    | 3,229,680    | 3,243,713    | 3,473,649     | 3,575,193    | 3,788,815     | 3,986,428     | 4,298,651     |
| Capital grants and contributions                | 1,206,031    | 490,881      | 945,908      | 270,902      | 570,800      | 1,786,381     | 1,315,222    | 1,396,950     | 1,928,772     | 2,199,890     |
| Total business-type activities program revenues | 3,917,599    | 3,131,683    | 3,809,476    | 3,500,582    | 3,814,513    | 5,260,030     | 4,890,415    | 5,185,765     | 5,915,200     | 6,498,541     |
| Total primary government program revenues       | \$ 6,921,177 | \$ 6,962,150 | \$ 7,849,447 | \$ 8,000,868 | \$ 8,422,822 | \$ 10,342,394 | \$ 9,841,385 | \$ 12,370,189 | \$ 15,943,502 | \$ 16,483,026 |

(Continued)

# CITY OF PORT WENTWORTH, GEORGIA

## CHANGES IN NET POSITION LAST TEN FISCAL YEARS

|  | Fiscal Year  |              |              |              |              |              |              |              |              |              |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|  | 2014         | 2015         | 2016         | 2017         | 2018         | 2019         | 2020         | 2021         | 2022         | 2023         |
| <b>General revenues and other changes in net position</b>                    |              |              |              |              |              |              |              |              |              |              |
| Primary government:  |              |              |              |              |              |              |              |              |              |              |
| Governmental activities:   |              |              |              |              |              |              |              |              |              |              |
| Property taxes levied for general purposes                                   | \$ 2,137,730 | \$ 2,417,026 | \$ 2,498,357 | \$ 2,656,996 | \$ 2,654,232 | \$ 2,793,069 | \$ 2,970,095 | \$ 3,137,620 | \$ 3,576,942 | \$ 4,331,576 |
| Sales taxes levied for general purposes                                      | 1,536,698    | 1,650,713    | 1,623,704    | 1,708,494    | 1,807,387    | 1,986,251    | 1,905,373    | 2,216,865    | 2,672,105    | 3,880,117    |
| Selective sales and use taxes  | 882,654      | 1,044,873    | 1,101,673    | 1,194,761    | 1,176,980    | 1,165,574    | 924,531      | 1,121,841    | 1,717,885    | 1,969,379    |
| Business taxes   | 358,333      | 375,991      | 404,683      | 452,408      | 463,214      | 513,360      | 543,057      | 597,958      | 610,682      | 1,156,208    |
| Unrestricted investment earnings   | 11,766       | 15,954       | 24,434       | 51,568       | 103,972      | 164,616      | 120,464      | 14,368       | 29,909       | 639,085      |
| Gain on sale of capital assets   | -            | -            | -            | 1,750        | 110,221      | 29,943       | 15,350       | 71,417       | 28,972       | -            |
| Miscellaneous  | 27,153       | 66,840       | 108,563      | 171,806      | 85,552       | 84,750       | 19,896       | 17,877       | 32,402       | 149,653      |
| Transfers  | (70,696)     | (1,943,858)  | (217,267)    | -            | -            | -            | -            | -            | -            | (438,540)    |
| Total governmental activities general revenues and changes in net position   | 4,883,638    | 3,627,539    | 5,544,147    | 6,237,783    | 6,401,558    | 6,737,563    | 6,498,766    | 7,177,946    | 8,668,897    | 11,687,478   |
| Business-type activities:  |              |              |              |              |              |              |              |              |              |              |
| Unrestricted investment earnings   | 14,438       | 17,087       | 15,969       | 28,753       | 32,098       | 38,145       | 34,849       | 10,770       | 15,728       | 481,976      |
| Gain on sale of assets   | -            | -            | -            | -            | -            | -            | -            | -            | 5,550        | -            |
| Miscellaneous  | 76,568       | 84,645       | 81,061       | 110,552      | 82,503       | 104,872      | 116,912      | 110,877      | 107,249      | 144,162      |
| Transfers  | 70,696       | 1,943,858    | 217,267      | -            | -            | -            | -            | -            | -            | 438,540      |
| Total business type activities, general revenues and changes in net position | 161,702      | 2,045,590    | 314,297      | 139,305      | 114,601      | 143,017      | 151,761      | 121,647      | 128,527      | 1,064,678    |
| Total primary government general revenues and other changes in net position  | 5,045,340    | 5,673,129    | 5,858,444    | 6,377,088    | 6,516,159    | 6,880,580    | 6,650,527    | 7,299,593    | 8,797,424    | 12,752,156   |
| <b>Change in net position</b>  |              |              |              |              |              |              |              |              |              |              |
| Governmental activities  | 2,172,847    | 1,360,618    | 2,582,267    | 2,732,927    | 1,891,619    | 2,400,653    | 1,203,925    | 2,724,261    | 4,495,157    | 3,121,725    |
| Business-type activities   | 992,826      | 1,898,177    | 802,484      | (91,308)     | (76,427)     | 771,967      | 125,388      | 404,253      | 727,815      | 1,643,589    |
| Total primary government change in net position                              | \$ 3,165,673 | \$ 3,258,795 | \$ 3,384,751 | \$ 2,641,619 | \$ 1,815,192 | \$ 3,172,620 | \$ 1,329,313 | \$ 3,128,514 | \$ 5,222,972 | \$ 4,765,314 |

<sup>(a)</sup> Revenue growth from year to year due mostly to increased rates for services due to rising energy costs.

# CITY OF PORT WENTWORTH, GEORGIA

## FUND BALANCES - GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

|                                    | Fiscal Year   |               |               |               |               |               |               |               |               |               |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                    | 2014          | 2015          | 2016          | 2017          | 2018          | 2019          | 2020          | 2021          | 2022          | 2023          |
| General Fund:                      |               |               |               |               |               |               |               |               |               |               |
| Nondisposable                      | \$ 164,344    | \$ 162,343    | \$ 170,596    | \$ 210,781    | \$ 47,880     | \$ 126,355    | \$ 371,118    | \$ 60,618     | \$ 104,991    | \$ 436,064    |
| Committed                          | -             | -             | -             | -             | -             | -             | -             | -             | 1,194,838     | 1,227,352     |
| Assigned                           | 894,993       | 2,313,949     | 1,366,028     | 2,104,636     | 2,158,215     | 725,659       | 1,677,696     | 1,639,454     | 4,707,065     | 849,562       |
| Unassigned                         | 8,709,129     | 9,389,661     | 11,693,257    | 11,774,380    | 11,963,324    | 14,729,700    | 13,731,036    | 14,727,347    | 10,690,535    | 13,990,501    |
| Total General Fund                 | 9,768,466     | 11,865,953    | 13,229,881    | 14,089,797    | 14,169,419    | 15,581,714    | 15,779,850    | 16,427,419    | 16,697,429    | 16,503,479    |
| All other governmental funds:      |               |               |               |               |               |               |               |               |               |               |
| Restricted, reported in:           |               |               |               |               |               |               |               |               |               |               |
| Special Revenue Funds              | 4,527         | 3,446         | 48,811        | 2,300         | 26,860        | 22,583        | 4,827         | 197,525       | 1,841,732     | 34,632        |
| Capital Projects Funds             | 3,197,301     | 2,113,761     | 2,926,624     | 3,055,408     | 4,195,436     | 3,801,265     | 2,546,666     | 3,539,060     | 3,657,374     | 4,834,200     |
| Total all other governmental funds | 3,201,828     | 2,117,207     | 2,975,435     | 3,057,708     | 4,222,296     | 3,823,848     | 2,551,493     | 3,736,585     | 5,499,106     | 4,868,832     |
| Total all governmental funds       | \$ 12,970,294 | \$ 13,983,160 | \$ 16,205,316 | \$ 17,147,505 | \$ 18,391,715 | \$ 19,405,562 | \$ 18,331,343 | \$ 20,164,004 | \$ 22,196,535 | \$ 21,372,311 |



# CITY OF PORT WENTWORTH, GEORGIA

## CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

|   | Fiscal Year  |              |              |              |              |              |                |              |              |               |
|---|--------------|--------------|--------------|--------------|--------------|--------------|----------------|--------------|--------------|---------------|
|   | 2014         | 2015         | 2016         | 2017         | 2018         | 2019         | 2020           | 2021         | 2022         | 2023          |
| <b>Revenues</b>   |              |              |              |              |              |              |                |              |              |               |
| Taxes   | \$ 4,973,336 | \$ 5,517,215 | \$ 5,628,912 | \$ 6,015,401 | \$ 6,105,418 | \$ 6,461,749 | \$ 6,312,188   | \$ 7,073,836 | \$ 8,513,154 | \$ 11,210,212 |
| Licenses and permits                                      | 225,523      | 193,111      | 267,807      | 183,783      | 237,838      | 377,429      | 439,427        | 537,048      | 829,030      | 982,092       |
| Intergovernmental   | 701,206      | 1,047,724    | 1,219,179    | 1,776,475    | 1,371,743    | 1,631,040    | 941,170        | 2,453,509    | 4,277,007    | 4,436,253     |
| Charges for services                                      | 1,255,770    | 1,294,050    | 1,421,776    | 1,528,625    | 1,601,632    | 1,722,797    | 1,904,843      | 2,072,608    | 2,470,934    | 2,742,539     |
| Fines and forfeitures                                     | 813,268      | 1,288,390    | 1,126,326    | 1,001,273    | 1,175,742    | 1,454,170    | 1,654,808      | 2,118,568    | 2,449,519    | 1,723,692     |
| Miscellaneous   | 46,730       | 73,776       | 109,062      | 176,631      | 290,938      | 266,234      | 151,082        | 33,903       | 59,016       | 888,647       |
| Total revenues  | 8,015,833    | 9,414,266    | 9,773,062    | 10,682,188   | 10,783,311   | 11,913,419   | 11,403,518     | 14,289,472   | 18,598,660   | 21,983,435    |
| <b>Expenditures</b>                                       |              |              |              |              |              |              |                |              |              |               |
| Current:  |              |              |              |              |              |              |                |              |              |               |
| General government  | 524,475      | 604,937      | 617,328      | 630,250      | 781,951      | 3,149,617    | 1,510,460      | 1,116,827    | 1,847,470    | 3,683,391     |
| Judicial  | 137,515      | 147,796      | 181,709      | 197,842      | 215,131      | 236,924      | 217,668        | 663,611      | 713,200      | 550,294       |
| Public safety   | 2,809,182    | 2,676,000    | 3,125,259    | 4,591,347    | 5,398,434    | 5,308,910    | 5,311,548      | 6,305,250    | 7,731,788    | 11,938,496    |
| Public works  | 1,438,783    | 1,920,379    | 2,020,697    | 2,294,638    | 2,543,064    | 1,308,331    | 1,373,029      | 1,640,162    | 1,654,192    | 2,976,664     |
| Culture and recreation                                    | 507,690      | 484,626      | 564,132      | 616,920      | 866,871      | 679,121      | 565,726        | 549,511      | 701,731      | 887,872       |
| Housing and development                                   | 144,477      | 150,319      | 359,926      | 253,370      | 286,177      | 677,404      | 612,880        | 720,003      | 787,777      | 681,722       |
| Intergovernmental   | 333,222      | 401,602      | 418,573      | 468,670      | 460,240      | 449,640      | 317,292        | 196,763      | 844,082      | 778,154       |
| Capital outlay  | 70,696       | 2,031,951    | 292,100      | 1,036,322    | 90,684       | 1,741,832    | 2,082,669      | 836,081      | 2,128,103    | 1,414,824     |
| Debt service:   |              |              |              |              |              |              |                |              |              |               |
| Principal   | -            | -            | -            | 145,554      | 247,134      | 395,129      | 413,090        | 421,377      | 405,957      | 583,596       |
| Interest and fiscal charges                               | -            | -            | -            | 5,577        | 28,375       | 49,615       | 105,163        | 93,493       | 86,232       | 94,223        |
| Total expenditures  | 5,966,040    | 8,417,610    | 7,579,724    | 10,240,490   | 10,918,061   | 13,996,523   | 12,509,525     | 12,543,078   | 16,900,532   | 23,589,236    |
| Excess (deficiency) of revenues over (under) expenditures | 2,049,793    | 996,656      | 2,193,338    | 441,698      | (134,750)    | (2,083,104)  | (1,106,007)    | 1,746,394    | 1,698,128    | (1,605,801)   |
| <b>Other financing sources (uses)</b>                     |              |              |              |              |              |              |                |              |              |               |
| Proceeds from the sale of capital assets                  | -            | -            | 12,963       | 1,750        | 18,500       | 36,951       | 15,350         | 85,235       | 84,016       | 159,762       |
| Issuance of debt  | -            | -            | -            | 441,868      | 1,258,928    | 3,060,000    | -              | -            | 245,280      | 621,815       |
| Insurance recoveries                                      | -            | 16,210       | 28,818       | 56,873       | 101,532      | -            | -              | 1,033        | 5,107        | -             |
| Transfers in  | 333,384      | 401,808      | 418,740      | 468,857      | 460,424      | 449,854      | 317,421        | 402,268      | 2,451,916    | 6,178,916     |
| Transfers out   | (333,384)    | (401,808)    | (418,740)    | (468,857)    | (460,424)    | (449,854)    | (317,421)      | (402,268)    | (2,451,916)  | (6,178,916)   |
| Total other financing sources (uses)                      | -            | 16,210       | 41,781       | 500,491      | 1,378,960    | 3,096,951    | 15,350         | 86,268       | 334,403      | 781,577       |
| Net change in fund balances                               | \$ 2,049,793 | \$ 1,012,866 | \$ 2,235,119 | \$ 942,189   | \$ 1,244,210 | \$ 1,013,847 | \$ (1,090,657) | \$ 1,832,662 | \$ 2,032,531 | \$ (824,224)  |
| Debt service as a percentage of noncapital expenditures   | 0.00%        | 0.00%        | 0.00%        | 2.07%        | 3.41%        | 4.98%        | 5.48%          | 4.84%        | 3.60%        | 3.88%         |

# CITY OF PORT WENTWORTH, GEORGIA

## GENERAL GOVERNMENTAL TAX REVENUES AND FRANCHISE FEES LAST TEN FISCAL YEARS

| Fiscal<br>Year | Property<br>Tax  | Local Option<br>Sales Tax | Business &<br>Insurance<br>Premium Tax | Malt &<br>Alcohol<br>Beverage Tax | Hotel/Motel<br>Tax | Utility &<br>Cablevision<br>Franchise Fees | Total             |
|----------------|------------------|---------------------------|--|-----------------------------------|--------------------|--|-------------------|
| 2014           | \$ 1,558,786     | \$ 1,536,698              | \$ 358,333                             | \$ 208,500                        | \$ 666,557         | \$ 644,462                                 | \$ 4,973,336      |
| 2015           | 1,728,076        | 1,650,713                 | 375,991                                | 225,844                           | 803,357            | 733,234                                    | 5,517,215         |
| 2016           | 1,764,914        | 1,623,704                 | 404,683                                | 226,892                           | 837,311            | 771,408                                    | 5,628,912         |
| 2017           | 1,932,764        | 1,708,494                 | 452,408                                | 223,770                           | 937,517            | 760,448                                    | 6,015,401         |
| 2018           | 1,930,601        | 1,807,387                 | 463,214                                | 217,995                           | 920,656            | 765,565                                    | 6,105,418         |
| 2019           | 1,994,103        | 1,986,251                 | 513,360                                | 229,081                           | 899,458            | 839,496                                    | 6,461,749         |
| 2020           | 2,137,550        | 1,905,373                 | 543,057                                | 255,987                           | 634,712            | 838,509                                    | 6,315,188         |
| 2021           | 2,374,297        | 2,216,865                 | 597,958                                | 280,769                           | 791,601            | 812,346                                    | 7,073,836         |
| 2022           | 2,661,342        | 2,672,105                 | 610,682                                | 278,186                           | 1,303,083          | 987,756                                    | 8,513,154         |
| <b>2023</b>    | <b>3,151,098</b> | <b>3,880,117</b>          | <b>1,156,208</b>                       | <b>289,617</b>                    | <b>1,556,304</b>   | <b>1,176,868</b>                           | <b>11,210,212</b> |

**Source:** City records

**Note:** Table includes General Fund and Hotel/Motel Tax Fund.

# CITY OF PORT WENTWORTH, GEORGIA

## ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS

| Fiscal<br>Year<br>Ended<br>June 30, | Digest<br>Tax Year | Real Property      |                           | Personal Property |                           | Utilities and Other Property |                           | Total              |                           | Ratio of Total<br>Assessed to<br>Total Estimated<br>Value | Total Direct<br>Tax Rate |
|-------------------------------------|--------------------|--------------------|---------------------------|-------------------|---------------------------|------------------------------|---------------------------|--------------------|---------------------------|---|--------------------------|
|                                     |                    | Assessed<br>Value  | Estimated<br>Actual Value | Assessed<br>Value | Estimated<br>Actual Value | Assessed<br>Value            | Estimated<br>Actual Value | Assessed<br>Value  | Estimated<br>Actual Value |   |                          |
| 2014                                | 2013               | \$ 283,724,072     | \$ 709,310,180            | \$ 75,341,990     | \$ 188,354,975            | \$ 9,246,282                 | \$ 23,115,705             | \$ 368,312,344     | \$ 920,780,860            | 40%   | 4.397                    |
| 2015                                | 2014               | 261,920,824        | 654,802,060               | 82,829,831        | 207,074,578               | 10,119,389                   | 25,298,472                | 354,870,044        | 887,175,110               | 40%   | 4.397                    |
| 2016                                | 2015               | 281,652,765        | 704,131,913               | 85,369,603        | 213,424,008               | 11,114,168                   | 27,785,419                | 378,136,536        | 945,341,340               | 40%   | 4.711                    |
| 2017                                | 2016               | 307,916,506        | 769,791,265               | 93,876,694        | 234,691,735               | 12,032,097                   | 30,080,243                | 413,825,297        | 1,034,563,243             | 40%   | 4.571                    |
| 2018                                | 2017               | 342,927,156        | 857,317,890               | 85,946,140        | 214,865,350               | 14,781,559                   | 36,853,897                | 443,654,855        | 1,109,037,137             | 40%   | 4.571                    |
| 2019                                | 2018               | 351,466,530        | 878,666,325               | 71,622,106        | 179,055,265               | 16,827,345                   | 42,068,362                | 439,915,981        | 1,099,789,952             | 40%   | 4.571                    |
| 2020                                | 2019               | 388,761,842        | 971,904,605               | 89,535,446        | 223,838,615               | 13,707,836                   | 34,269,589                | 492,005,124        | 1,230,012,809             | 40%   | 4.160                    |
| 2021                                | 2020               | 421,276,160        | 1,053,190,400             | 93,802,642        | 234,506,605               | 14,689,578                   | 36,723,944                | 529,768,380        | 1,324,420,949             | 40%   | 4.160                    |
| 2022                                | 2021               | 453,349,046        | 1,133,372,615             | 74,824,400        | 187,311,000               | 14,720,928                   | 36,802,319                | 542,894,374        | 1,357,485,934             | 40%   | 4.160                    |
| <b>2023</b>                         | <b>2022</b>        | <b>680,276,722</b> | <b>1,700,691,805</b>      | <b>94,973,388</b> | <b>237,433,470</b>        | <b>16,622,668</b>            | <b>41,556,669</b>         | <b>791,872,778</b> | <b>1,979,681,944</b>      | <b>40%</b>  | <b>4.160</b>             |

Source: Chatham County Tax Assessor

Note: The ratio of total assessed to total estimated value is set at 40% by state law.

Note 2: Tax rates are oer \$1,000 net assessed value.

# CITY OF PORT WENTWORTH, GEORGIA

## DIRECT AND OVERLAPPING PROPERTY TAX RATES LAST TEN FISCAL YEARS (Rate per \$1,000 of assessed value)

| Fiscal<br>Year | Digest<br>Year | City<br>Direct<br>Rate | Overlapping Rates  |               |       | Total Direct<br>and Overlapping<br>Rates |
|----------------|----------------|------------------------|--------------------|---------------|-------|--|
|                |                |                        | School<br>District | County        | State |  |
| 2014           | 2013           | 4.397                  | 15.881             | 11.908        | 0.150 | 32.336                                   |
| 2015           | 2014           | 4.711                  | 15.881             | 11.543        | 0.100 | 32.235                                   |
| 2016           | 2015           | 4.571                  | 16.631             | 11.543        | 0.050 | 32.795                                   |
| 2017           | 2016           | 4.571                  | 16.631             | 11.543        | -     | 32.745                                   |
| 2018           | 2017           | 4.571                  | 16.631             | 11.543        | -     | 32.745                                   |
| 2019           | 2018           | 4.571                  | 18.881             | 11.543        | -     | 34.995                                   |
| 2020           | 2019           | 4.160                  | 18.881             | 11.543        | -     | 34.584                                   |
| 2021           | 2020           | 4.160                  | 18.881             | 11.543        | -     | 34.584                                   |
| 2022           | 2021           | 4.160                  | 18.881             | 11.543        | -     | 34.584                                   |
| <b>2023</b>    | <b>2022</b>    | <b>4.160</b>           | <b>18.881</b>      | <b>11.543</b> | -     | <b>34.584</b>                            |

Source: Chatham County Commission - Board minutes and City records

# CITY OF PORT WENTWORTH, GEORGIA

## PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

| Taxpayer                              | 2023                                     |      |   | 2014                                     |      |   |
|---------------------------------------|--|------|---|--|------|---|
|                                       | Taxable Assessed Value<br>(In thousands) | Rank | Percentage of Total City Taxable Assessed Value | Taxable Assessed Value<br>(In thousands) | Rank | Percentage of Total City Taxable Assessed Value |
| Duke Realty Limited Partnership       | \$ 107,350,143                           | 1    | 13.56%  | \$ 32,047,724                            | 1    | 8.70%   |
| EIP Pinder Point Norwood, LLC         | 23,602,240                               | 2    | 2.98%   | -  |      | 0.00%   |
| Southwood Rice Hope, LLC              | 23,142,000                               | 3    | 2.92%   | -  |      | 0.00%   |
| OREI Pointe Grand Property Owner, LLC | 20,507,360                               | 4    | 2.59%   | -  |      | 0.00%   |
| Chatham-Coldbrook Associates LLC      | 18,050,760                               | 5    | 2.28%   | -  |      | 0.00%   |
| Rice Hope - CJ LLC                    | 14,584,800                               | 6    | 1.84%   | 5,212,280                                | 4    | 1.42%   |
| RC Residential LLC                    | 10,151,083                               | 7    | 1.28%   | 7,464,160                                | 2    | 2.03%   |
| LRE Crossgate South, LLC              | 9,188,760                                | 8    | 1.16%   | 5,287,600                                | 3    | 1.44%   |
| Cresecent Investments Inc.            | 7,200,000                                | 9    | 0.91%   | 2,991,320                                | 8    | 0.81%   |
| 1500 Crossgate LLC                    | 5,388,320                                | 10   | 0.68%   | -  |      | 0.00%   |
| Elba Express Company                  | -  |      | 0.00%   | 3,437,783                                | 5    | 0.93%   |
| Carolina Gas Transmission Group       | -  |      | 0.00%   | 3,249,177                                | 6    | 0.88%   |
| Port Wentworth Fee Owner LLC          | -  |      | 0.00%   | 3,016,800                                | 7    | 0.82%   |
| DSI Realty Company                    | -  |      | 0.00%   | 2,470,400                                | 9    | 0.67%   |
| Publix                                | -  |      | 0.00%   | 2,455,600                                | 10   | 0.67%   |
| Total                                 | <u>\$ 239,165,466</u>                    |      | <u>30.20%</u>                                   | <u>\$ 67,632,844</u>                     |      | <u>18.37%</u>                                   |

**Source:** Chatham County Tax Assessor

**Note:** This data is based on calendar year assessed values.

# CITY OF PORT WENTWORTH, GEORGIA

## PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

| Fiscal Year<br>Ended<br>June 30, | Digest<br>Tax<br>Year | Total<br>Tax<br>Levy | Adjustments      | Total<br>Adjusted<br>Tax Levy | Collected within the<br>Fiscal Year of the Levy |                       | Collections in<br>Subsequent<br>Years | Total Collections to Date |                       |
|----------------------------------|-----------------------|----------------------|------------------|-------------------------------|---|-----------------------|---------------------------------------|---------------------------|-----------------------|
|                                  |                       |                      |                  |                               | Amount  | Percentage<br>of Levy |                                       | Amount                    | Percentage<br>of Levy |
| 2014                             | 2013                  | \$ 1,387,660         | \$ (92,060)      | \$ 1,295,600                  | \$ 1,287,127                                    | 92.76%                | \$ 8,303                              | \$ 1,295,430              | 99.99%                |
| 2015                             | 2014                  | 1,465,355            | (21,695)         | 1,443,660                     | 1,438,983                                       | 98.20%                | 4,454                                 | 1,443,437                 | 99.98%                |
| 2016                             | 2015                  | 1,547,382            | (18,023)         | 1,529,359                     | 1,473,984                                       | 95.26%                | 54,958                                | 1,528,942                 | 99.97%                |
| 2017                             | 2016                  | 1,707,563            | (80,312)         | 1,627,251                     | 1,654,368                                       | 96.88%                | (27,656)                              | 1,626,712                 | 99.97%                |
| 2018                             | 2017                  | 1,806,293            | (57,615)         | 1,748,678                     | 1,735,756                                       | 96.09%                | -                                     | 1,735,756                 | 99.26%                |
| 2019                             | 2018                  | 1,790,233            | (68,589)         | 1,721,644                     | 1,716,455                                       | 95.88%                | -                                     | 1,716,455                 | 99.70%                |
| 2020                             | 2019                  | 1,830,010            | (48,607)         | 1,781,403                     | 1,764,830                                       | 96.44%                | -                                     | 1,764,830                 | 99.07%                |
| 2021                             | 2020                  | 1,956,854            | (100,461)        | 1,856,393                     | 1,820,040                                       | 93.01%                | -                                     | 1,820,040                 | 98.04%                |
| 2022                             | 2021                  | 2,017,345            | (62,875)         | 1,954,470                     | 1,937,726                                       | 96.05%                | -                                     | 1,937,726                 | 99.14%                |
| <b>2023</b>                      | <b>2022</b>           | <b>2,964,443</b>     | <b>(491,127)</b> | <b>2,473,316</b>              | <b>2,456,203</b>                                | <b>82.86%</b>         | -                                     | <b>2,456,203</b>          | <b>99.31%</b>         |

**Source:** Chatham County Tax Commissioner and City records.

**Note 1:** Taxes are assessed for the calendar year on January 1. The fiscal year begins six months later on July 1 and ends on June 30 of the following year.

**Note 2:** The total tax levy includes real property, industrial area, personal property, and public utilities. The total tax levy is the original state approved levy after adjustments for cancelations, releases, errors, and additions.

# CITY OF PORT WENTWORTH, GEORGIA

## RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

| Fiscal<br>Year | Governmental Activities |   | Business-Type Activities    |   | Total Primary<br>Government | Per Capita |
|----------------|-------------------------|---|-----------------------------|---|-----------------------------|------------|
|                | Notes<br>Payable        | Financed<br>Purchases,<br>Leases,<br>and SBITAs | Water and<br>Sewer<br>Notes | Financed<br>Purchases,<br>Leases,<br>and SBITAs |                             |            |
| 2014           | \$ -                    | \$ -  | \$ 4,498,328                | \$ -  | \$ 4,498,328                | \$ 750     |
| 2015           | -                       | -   | 5,506,301                   | -   | 5,506,301                   | 787        |
| 2016           | -                       | -   | 6,088,698                   | -   | 6,088,698                   | 870        |
| 2017           | -                       | 296,314   | 5,833,629                   | -   | 6,129,943                   | 766        |
| 2018           | -                       | 1,308,108                                       | 5,030,902                   | 37,372  | 6,376,382                   | 708        |
| 2019           | 2,481,597               | 1,487,157                                       | 4,896,540                   | 24,928  | 8,890,222                   | 988        |
| 2020           | 2,257,754               | 1,297,686                                       | 4,758,199                   | 12,066  | 8,325,705                   | 833        |
| 2021           | 2,028,362               | 1,105,701                                       | 4,615,798                   | -   | 7,749,861                   | 705        |
| 2022           | 1,793,679               | 1,179,707                                       | 4,469,198                   | -   | 7,442,584                   | 677        |
| <b>2023</b>    | <b>1,552,444</b>        | <b>1,476,027</b>                                | <b>4,318,274</b>            | <b>-</b>  | <b>7,346,745</b>            | <b>668</b> |

**Note 1:** Details regarding the City's outstanding debt can be found in the notes to the financial statements.

**Note 2:** Per capita ratios are calculated using personal income and population for the calendar year.

# CITY OF PORT WENTWORTH, GEORGIA

## RATIOS OF GENERAL BONDED DEBT OUTSTANDING LAST TEN FISCAL YEARS

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| Fiscal<br>Year | General<br>Obligation<br>Bonds | Percentage of<br>Estimated Actual<br>Taxable Value of<br>Property | Per<br>Capital |
|----------------|--------------------------------|---|----------------|
| 2014           | \$ -                           | 0.00%   | \$ -           |
| 2015           | -                              | 0.00%   | -              |
| 2016           | -                              | 0.00%   | -              |
| 2017           | -                              | 0.00%   | -              |
| 2018           | -                              | 0.00%   | -              |
| 2019           | -                              | 0.00%   | -              |
| 2020           | -                              | 0.00%   | -              |
| 2021           | -                              | 0.00%   | -              |
| 2022           | -                              | 0.00%   | -              |
| <b>2023</b>    | -                              | <b>0.00%</b>  | -              |

**Note:** The City has no general bonded debt outstanding during the last ten fiscal years.



# CITY OF PORT WENTWORTH, GEORGIA

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT JUNE 30, 2023

| Jurisdiction                                 | Debt<br>Outstanding | Percentage<br>Applicable to<br>the City <sup>(1)</sup> | Amount<br>Applicable to<br>the City |
|--|---------------------|--|-------------------------------------|
| Overlapping debt repaid with property taxes: |                     |  |                                     |
| Chatham County                               |                     |  |                                     |
| DSA Union Mission Series 2009                | \$ 1,075,000        | 3.95%  | \$ 42,463                           |
| DSA Chatham County Projects Series 2014      | 2,935,000           | 3.95%  | 115,933                             |
| DSA Judicial Complex Project Series 2020     | 67,415,000          | 3.95%  | 2,662,893                           |
| Unamortized premiums                         | 11,461,862          | 3.95%  | 452,744                             |
| Subtotal, overlapping debt                   |                     |  | 3,274,033                           |
| City of Port Wentworth direct debt           |                     |  | 3,028,471                           |
| Total direct and overlapping debt            |                     |  | \$ 6,302,504                        |

**Sources:** Assessed value data used to estimate applicable percentages provided by the Chatham County Board of Taxation. Debt outstanding data is provided by each governmental unit.

**Note:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Port Wentworth. This process recognizes that, when considering the City's ability to issue and repay long term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt of each overlapping payment.

(1) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values as of the past calendar year. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the City's boundaries and dividing it by each unit's total taxable value. For overlapping other debt (County), the percentage of overlapping debt applicable is estimated using the City's population and dividing it by the county's population. For overlapping other debt (School), the percentage of overlapping debt applicable is estimated using the City's school enrollment and dividing it by the school district's total enrollment.

# CITY OF PORT WENTWORTH, GEORGIA

## LEGAL DEBT MARGIN INFORMATION LAST TEN CALENDAR YEARS

|  | Calendar Year         |                       |                       |                       |                       |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|  | 2013                  | 2014                  | 2015                  | 2016                  | 2017                  |
| Total assessed value of taxable property                       | \$ 368,312,344        | \$ 354,870,044        | \$ 378,136,536        | \$ 413,825,297        | \$ 443,654,855        |
| Less exemptions for bond purposes                              | -                     | -                     | -                     | -                     | -                     |
| Net assessed value for bond purposes                           | <u>\$ 368,312,344</u> | <u>\$ 354,870,044</u> | <u>\$ 378,136,536</u> | <u>\$ 413,825,297</u> | <u>\$ 443,654,855</u> |
| Debt limit percentage  | 10%                   | 10%                   | 10%                   | 10%                   | 10%                   |
| Debt limit   | \$ 36,831,234         | 35,487,004            | 37,813,654            | 41,382,530            | 44,365,486            |
| Total net debt applicable to limit of general obligation bonds | -                     | -                     | -                     | -                     | -                     |
| Legal debt margin  | <u>\$ 36,831,234</u>  | <u>\$ 35,487,004</u>  | <u>\$ 37,813,654</u>  | <u>\$ 41,382,530</u>  | <u>\$ 44,365,486</u>  |
|  | Calendar Year         |                       |                       |                       |                       |
|  | 2018                  | 2019                  | 2020                  | 2021                  | 2022                  |
| Total assessed value of taxable property                       | \$ 439,915,981        | \$ 492,005,124        | \$ 529,768,380        | \$ 542,894,374        | \$ 791,872,778        |
| Less exemptions for bond purposes                              | -                     | -                     | -                     | (9,696,648)           | (9,640,803)           |
| Net assessed value for bond purposes                           | <u>\$ 439,915,981</u> | <u>\$ 492,005,124</u> | <u>\$ 529,768,380</u> | <u>\$ 533,197,726</u> | <u>\$ 782,231,975</u> |
| Debt limit percentage  | 10%                   | 10%                   | 10%                   | 10%                   | 10%                   |
| Debt limit   | 43,991,598            | 49,200,512            | 52,976,838            | 53,319,773            | 78,223,198            |
| Total net debt applicable to limit of general obligation bonds | -                     | -                     | -                     | -                     | -                     |
| Legal debt margin  | <u>\$ 43,991,598</u>  | <u>\$ 49,200,512</u>  | <u>\$ 52,976,838</u>  | <u>\$ 53,319,773</u>  | <u>\$ 78,223,198</u>  |

**Source:** Consolidation and evaluation digest.

**Note:** Under state finance law, the City's outstanding general obligation debt should not exceed 10% of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

## CITY OF PORT WENTWORTH, GEORGIA

### DEMOGRAPHIC STATISTICS LAST TEN CALENDAR YEARS

| Calendar<br>Year | Population<br>in thousands <sup>(1)</sup> | Personal<br>Income <sup>(1)</sup> | Per Capita<br>Personal<br>Income <sup>(2)</sup> | Unemployment<br>Rate <sup>(3)</sup> |
|------------------|---|-----------------------------------|---|-------------------------------------|
| 2013             | 6   | \$ 174,466,500                    | \$ 26,841                                       | 8.70%                               |
| 2014             | 7   | 199,150,000                       | 28,450  | 7.30%                               |
| 2015             | 7   | 217,927,500                       | 29,057  | 6.30%                               |
| 2016             | 8   | 275,624,000                       | 34,453  | 5.00%                               |
| 2017             | 9   | 272,352,000                       | 34,044  | 4.60%                               |
| 2018             | 9   | 342,232,000                       | 42,779  | 3.80%                               |
| 2019             | 10  | 342,612,000                       | 38,068  | 3.50%                               |
| 2020             | 11  | 368,200,000                       | 36,820  | 4.50%                               |
| 2021             | 11  | 345,740,000                       | 34,574  | 3.10%                               |
| <b>2022</b>      | <b>11</b>                                 | <b>376,570,000</b>                | <b>37,657</b>                                   | <b>3.20%</b>                        |

\*\* Information not readily available

<sup>(1)</sup> **Source** - U.S. Bureau of the Census Chamber of Commerce, and Metropolitan Planning Commission

<sup>(2)</sup> Estimated based upon the municipal population and per capita personal income presented

<sup>(3)</sup> **Source** - State Department of Labor.

# CITY OF PORT WENTWORTH, GEORGIA

## PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

| Employer                                     | 2022      |      |                                | 2013      |      |                                |
|--|-----------|------|--------------------------------|-----------|------|--------------------------------|
|  | Employees | Rank | Percentage of Total Employment | Employees | Rank | Percentage of Total Employment |
| Gulfstream Aerospace Corp.                   | 11,301    | 1    | 5.86%                          | 8,406     | 1    | 6.00%                          |
| Savannah Chatham County Public School System | 5,700     | 2    | 2.65%                          | 4,808     | 2    | 3.88%                          |
| St Joseph's/Candler Health System            | 4,652     | 3    | 2.41%                          | 3,170     | 5    | 2.60%                          |
| Fort Stewart/Hunter Army Airfield            | 4,300     | 4    | 2.23%                          | 4,637     | 3    | 3.81%                          |
| Memorial Health                              | 3,869     | 5    | 2.01%                          | 4,600     | 4    | 3.78%                          |
| Georgia Southern University                  | 2,864     | 6    | 1.48%                          | -         |      | 0.00%                          |
| Colonial Group, inc.                         | 2,241     | 7    | 1.16%                          | -         |      | 0.00%                          |
| City of Savannah                             | 2,147     | 8    | 1.11%                          | 2,795     | 6    | 2.41%                          |
| Chatham County                               | 1,810     | 9    | 0.94%                          | 1,600     | 8    | 1.44%                          |
| Savannah College of Art and Design           | 1,772     | 10   | 92.00%                         | 1,750     | 7    | 2.05%                          |
| Georgia Ports Authority                      | -         |      | 0.00%                          | 988       | 9    | 1.23%                          |
| Armstrong Atlantic State University          | -         |      | 0.00%                          | 602       | 10   | 0.99%                          |
| Total  | 40,656    |      | 111.85%                        | 33,356    |      | 28.19%                         |

**Source:** Savannah Area Chamber of Commerce and the Georgia Department of Labor. The data is calendar year based and 2022 is the latest data available.

# CITY OF PORT WENTWORTH, GEORGIA

## FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION LAST TEN FISCAL YEARS

| Function                 | Full-time and Part-time City Employees as of June 30, |      |      |      |      |
|--------------------------|---|------|------|------|------|
|                          | 2014  | 2015 | 2016 | 2017 | 2018 |
| General government       | 4   | 5    | 5    | 4    | 2    |
| Judicial                 | 2   | 2    | 2    | 4    | 2    |
| Legislative              | 6   | 6    | 6    | 6    | 6    |
| Protective inspections   | 1   | 1    | 1    | 2    | 2    |
| Public safety            | 30  | 35   | 41   | 44   | 45   |
| Public works             | 3   | 2    | 3    | 3    | 2    |
| Culture and recreation   | 3   | 7    | 10   | 13   | 15   |
| Water and sewer services | 11  | 7    | 10   | 10   | 12   |
| Total                    | 60  | 65   | 78   | 86   | 86   |

| Function                 | Full-time and Part-time City Employees as of June 30, |      |      |      |      |
|--------------------------|---|------|------|------|------|
|                          | 2019  | 2020 | 2021 | 2022 | 2023 |
| General government       | 7   | 6    | 5    | 6    | 14   |
| Judicial                 | 2   | 2    | 2    | 2    | 2    |
| Legislative              | 6   | 6    | 5    | 8    | 7    |
| Protective inspections   | 3   | 3    | 4    | 3    | 3    |
| Public safety            | 56  | 56   | 71   | 74   | 73   |
| Public works             | -   | -    | -    | 1    | 5    |
| Culture and recreation   | 19  | 8    | 8    | 9    | 11   |
| Water and sewer services | -   | 1    | 2    | 2    | 5    |
| Total                    | 93  | 82   | 97   | 105  | 120  |

**Source:** City records.

# CITY OF PORT WENTWORTH, GEORGIA

## OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

|  | Fiscal Year |       |       |       |       |
|--|-------------|-------|-------|-------|-------|
|  | 2014        | 2015  | 2016  | 2017  | 2018  |
| <b>Police</b>  |             |       |       |       |       |
| Arrests  | 1,282       | 1,344 | 1,207 | 1,261 | 1,346 |
| <b>Fire</b>  |             |       |       |       |       |
| Number of emergency calls                                | 1,084       | 1,209 | 1,263 | 994   | 1,362 |
| Inspections  | 248         | 254   | 265   | 246   | 271   |
| <b>Public works</b>                                      |             |       |       |       |       |
| Streets resurfaced (miles)                               | 2           | 2     | 1     | 1     | -     |
| <b>Parks and recreation</b>                              |             |       |       |       |       |
| Number of facility rentals                               | 335         | 377   | 365   | 346   | 364   |
| <b>Water</b>   |             |       |       |       |       |
| New connections  | 178         | 138   | 133   | 418   | 59    |
| Average daily water use<br>(thousands of gallons)        | 388         | 441   | 921   | 444   | 927   |
| <b>Sewer</b>   |             |       |       |       |       |
| New connections  | 178         | 138   | 133   | 418   | 59    |
| Average daily sewage treatment<br>(thousands of gallons) | 757         | 822   | 825   | 600   | 800   |
|  | Fiscal Year |       |       |       |       |
|  | 2019        | 2020  | 2021  | 2022  | 2023  |
| <b>Police</b>  |             |       |       |       |       |
| Arrests  | 1,252       | 1,024 | 956   | 1,150 | 913   |
| <b>Fire</b>  |             |       |       |       |       |
| Number of emergency calls                                | 1,550       | 1,496 | 1,866 | 1,904 | 2,278 |
| Inspections  | 280         | 340   | 295   | 251   | 387   |
| <b>Public works</b>                                      |             |       |       |       |       |
| Streets resurfaced (miles)                               | 1           | 2     | -     | -     | -     |
| <b>Parks and recreation</b>                              |             |       |       |       |       |
| Number of facility rentals                               | 350         | 231   | 153   | 274   | 349   |
| <b>Water</b>   |             |       |       |       |       |
| New connections  | 120         | 145   | 117   | 184   | 66    |
| Average daily water use<br>(thousands of gallons)        | 943         | 1,088 | 1,001 | 956   | 965   |
| <b>Sewer</b>   |             |       |       |       |       |
| New connections  | 120         | 145   | 117   | 184   | 66    |
| Average daily sewage treatment<br>(thousands of gallons) | 900         | 1,203 | 1,071 | 900   | 955   |

Sources: City records.

# CITY OF PORT WENTWORTH, GEORGIA

## CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN FISCAL YEARS

|   | Fiscal Year |       |       |      |      |
|---|-------------|-------|-------|------|------|
|   | 2014        | 2015  | 2016  | 2017 | 2018 |
| <b>Police</b>   |             |       |       |      |      |
| Stations  | 1           | 1     | 1     | 1    | 1    |
| <b>Fire</b>   |             |       |       |      |      |
| Stations  | 2           | 2     | 2     | 2    | 2    |
| <b>Public works</b>                                       |             |       |       |      |      |
| Streets (miles)   | 52          | 54    | 54    | 54   | 54   |
| Streetlights  | 886         | 886   | 906   | 906  | 906  |
| Traffic signals   | 10          | 11    | 11    | 11   | 11   |
| <b>Parks and recreation</b>                               |             |       |       |      |      |
| Parks and recreation                                      | 5           | 5     | 5     | 5    | 5    |
| Community centers   | 4           | 4     | 4     | 4    | 4    |
| <b>Water</b>  |             |       |       |      |      |
| Water mains (miles)                                       | 51          | 51    | 51    | 51   | 51   |
| Maximum daily capacity<br>(thousands of gallons)          | 3100        | 3100  | 3100  | 3100 | 3100 |
| <b>Sewer</b>  |             |       |       |      |      |
| Sanitary sewers (miles)                                   | 51          | 51    | 51    | 51   | 51   |
| Maximum daily treatment capacity<br>(millions of gallons) | 4           | 4     | 4     | 4    | 4    |
|   | Fiscal Year |       |       |      |      |
|   | 2019        | 2020  | 2021  | 2022 | 2023 |
| <b>Police</b>   |             |       |       |      |      |
| Stations  | 1           | 1     | 1     | 1    | 1    |
| <b>Fire</b>   |             |       |       |      |      |
| Stations  | 2           | 2     | 2     | 2    | 2    |
| <b>Public works</b>                                       |             |       |       |      |      |
| Streets (miles)   | 54          | 55    | 55    | 56   | 56   |
| Streetlights  | 906         | 1,010 | 1,031 | 976  | 976  |
| Traffic signals   | 11          | 13    | 16    | 13   | 15   |
| <b>Parks and recreation</b>                               |             |       |       |      |      |
| Parks and recreation                                      | 5           | 5     | 6     | 6    | 6    |
| Community centers   | 3           | 3     | 3     | 3    | 3    |
| <b>Water</b>  |             |       |       |      |      |
| Water mains (miles)                                       | 51          | 52    | 53    | 53   | 53   |
| Maximum daily capacity<br>(thousands/millions of gallons) | 3100        | 3100  | 3100  | 3100 | 2    |
| <b>Sewer</b>  |             |       |       |      |      |
| Sanitary sewers (miles)                                   | 51          | 52    | 51    | 53   | 53   |
| Maximum daily treatment capacity<br>(millions of gallons) | 2           | 2     | 2     | 2    | 2    |

**Sources:** Various City departments.

# COMPLIANCE SECTION

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## 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

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To the Honorable Mayor and City Council  
City of Port Wentworth, Georgia  
Port Wentworth, Georgia

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Port Wentworth, Georgia** (the "City"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 11, 2023.

### Report on Internal Control Over Financial Reporting

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

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

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

---

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

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

*Mauldin & Jenkins, LLC*

Savannah, Georgia  
December 11, 2023



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

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**To the Honorable Mayor and City Council  
City of Port Wentworth, Georgia  
Port Wentworth, Georgia**

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on the Major Federal Program***

We have audited the City of Port Wentworth, Georgia's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 2023. The City's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

#### ***Basis for Opinion on Each Major Federal Program***

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

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

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

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### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

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### **Report on Internal Control Over Compliance**

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

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

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

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

*Mauldin & Jenkins, LLC*

Savannah, Georgia  
December 11, 2023

# CITY OF PORT WENTWORTH, GEORGIA

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| <b>Federal Grantor/Pass-through<br/>Grantor/Program Title</b> | <b>Federal<br/>AL<br/>Number</b> | <b>Grant<br/>Identification<br/>Number</b> | <b>Total<br/>Expenditures</b> | <b>Passed Through to<br/>Subrecipients</b> |
|---|----------------------------------|--|-------------------------------|--|
| <b><u>U.S. Department of Treasury</u></b>                     |                                  |  |                               |  |
| Coronavirus State and Local Fiscal Recovery<br>Funds          | 21.027                           | N/A  | \$ 1,800,150                  | \$ -                                       |
| <b>Total U.S. Department of Treasury Programs</b>             |                                  |  | 1,800,150                     | -  |
| <b>Total Expenditures of Federal Awards</b>                   |                                  |  | <u>\$ 1,800,150</u>           | <u>\$ -</u>                                |

# CITY OF PORT WENTWORTH, GEORGIA

## NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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### **NOTE 1. BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards ("SEFA") includes the federal award activity of the City of Port Wentworth, Georgia (the "City") under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the SEFA presents only a selected portion of the operations of the City, it is not intended to and does not present the net position, changes in net position, or cash flows of the City.

### **NOTE 2. SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

### **NOTE 3. INDIRECT COST RATE**

The City has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

### **NOTE 4. NON-CASH ASSISTANCE**

No federal awards were expended in the form of non-cash assistance during the fiscal year ended June 30, 2023.

### **NOTE 5. SUBRECIPIENTS**

The City did not pass funding through to subrecipients during the fiscal year ended June 30, 2023.

**CITY OF PORT WENTWORTH, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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**SECTION I**  
**SUMMARY OF AUDIT RESULTS**

**Financial Statements**

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

Unmodified

Internal control over financial reporting:  
Material weaknesses identified?

\_\_\_ Yes  X  No

Significant deficiencies identified not considered  
to be material weaknesses?

\_\_\_ Yes  X  None reported

Noncompliance material to financial statements noted?

\_\_\_ Yes  X  No

**Federal Awards**

Internal control over financial reporting:  
Material weaknesses identified?

\_\_\_ Yes  X  No

Significant deficiencies identified not considered  
to be material weaknesses?

\_\_\_ Yes  X  None reported

Type of auditor's report issued

Unmodified

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

\_\_\_ Yes  X  No

Identification of major programs:

AL Number  
21.027

Name of Federal Program or Cluster  
**U.S. Department of Treasury:**  
Coronavirus State and Local Fiscal  
Recovery Fund and ARPA First  
Responders Grant

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

\$750,000

Auditee qualified as a low-risk auditee?

\_\_\_ Yes  X  No



**CITY OF PORT WENTWORTH, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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**SECTION II**  
**FINANCIAL STATEMENT FINDINGS**

None reported.

**SECTION III**  
**FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

Not applicable.

**CITY OF PORT WENTWORTH, GEORGIA**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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**STATUS OF PRIOR YEAR AUDIT FINDINGS**

None reported.

