



CITY OF PORT WENTWORTH COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR 2013-2014



CITY OF PORT WENTWORTH, GEORGIA

Comprehensive Annual Financial Report **Fiscal Year Ended June 30, 2014**

**Prepared by:
City Finance Department**



City of Port Wentworth, Georgia

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City of Port Wentworth, Georgia

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INTRODUCTORY SECTION





CITY OF PORT WENTWORTH

305 South Coastal Highway Port Wentworth, Georgia 31407

(912) 964-4379

(912) 966-7429 (f)

www.cityofportwentworth.com

October 29, 2014

MAYOR

G. Glenn Jones

COUNCIL MEMBERS

Jud Bowers

James Curry

Bill Herrin

Tim Holbrook

Lloyd Stanhope, Jr.

CITY ADMINISTRATOR

Phillip Claxton

Honorable Mayor
Members of Council and Citizens
City of Port Wentworth, Georgia

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2014.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed the benefits, the objective is to provide a reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

KRT, CPAs, have issued an unqualified ("clean") opinion on the City of Port Wentworth's financial statements for the fiscal year ended June 30, 2014. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The City of Port Wentworth (the City) is located in Chatham County near the Georgia Ports Authority and borders Effingham County and South Carolina, encompassing 15.6 square miles with a population of 5,359 according to the 2010 Census.

The City was incorporated in 1957. Under the Charter, the City Council is comprised of a Mayor and five (5) Council Members who enact local legislation, determine the policy and direction of the City, and adopt the operating budget. The Mayor and Council are elected for four (4) year staggered terms.

The City Council employs a City Administrator to manage the City on a daily basis and implement the policies and programs enacted by Council. The City also employs a Clerk of Council who serves as the official record keeper of the City.

The City is a full service municipality providing general governmental, public safety, recreation, street maintenance, code enforcements, solid waste, water, sanitary sewer, and other services. The criteria used by the City for including activities in preparing its financial statements are set forth in Governmental Accounting Standards Board (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 City Council adopts and reports annual budgets for the general and special revenues funds as required by state law. The legal level of control (the level at which expenditures may not exceed appropriations) is at the department level.

ECONOMIC CONDITION AND OUTLOOK

Summary of Local Economy

Although the City has been affected by the national economic recession over the past couple of years, it shows signs of recovery. Tax revenues have increased during the fiscal year ended June 30, 2014. In addition, water and sewer fee collections have also grown over the past year. Population growth accounts for most of the City's improved tax and fee revenue.

The Georgia Department of Labor indicates that the annualized average unemployment rate for Chatham County in 2013 was 8.8%. As of June 30, 2014, the unemployment rate had decreased to 7.2%

According to the Savannah Economic Development Authority, the top employers in the Savannah-Chatham MSA (Metropolitan Statistical Area) in 2014 included Gulfstream Aerospace, Fort Stewart Hunter Army Airfield, Memorial Health University Medical Center, Savannah-Chatham County Board of Education, St. Joseph/Candler Health System, City of Savannah, Savannah College of Art and Design, Chatham County, Georgia Ports Authority, and Armstrong Atlantic State University.

According to the Georgia Department of Labor, by the fourth quarter of 2013, the percentage of employed persons by sector included:

Good producing sector	13.6%
Service producing sector	70.8%
Government	15.2%

Prospects for the Economy

Port Wentworth is a bedroom community in the Savannah-Chatham County MSA. The local economy mirrors the larger region. The Georgia Department of Labor projects that Chatham County's population will increase 7.6% by 2015. We anticipate the City's population and home construction to continue, though not as rapidly as in the past couple of years. By analyzing building permits and issued certificates of occupancy, we project that the City's population will be over 7,000 people by the end of 2015.

Relevant Financial Policies

Adherence to the City's financial planning, revenue, and expenditure policies have allowed the City to maintain general fund spendable fund balance of \$9,604,122. Without additional revenue enhancements such as millage rate increase or increase in charges for services, this fund balance will be critical to fund the current level of government service in the future.

Major Initiatives

Major projects and initiatives started and/or completed in FY 2014 included:

- North Area Water Tank
- Downtown Sewer Rehabilitation- Phase 2 and 3

Long-term Financial Planning

The City incurred debt in funding of its wastewater treatment plant as well as other water and sewer projects in the City completed and placed in service in recent years. Fee collections from the wastewater treatment plant are expected to service the long-term debt incurred.

OTHER INFORMATION

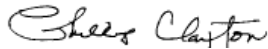
Awards

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 comprehensive annual financial report for the year ended June 30, 2013. This was the thirteenth year the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiency organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A certificate of achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

FINAL COMMENTS

The preparation of this report would not have been possible without the efficient and dedicated service of the City's staff. We wish to express our appreciation to all members of the staff who assisted and contributed to the preparation of this report. Finally, credit also must be given to the Mayor and Council 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 cursive script that reads "Phillip Claxton".

Phillip Claxton
City Administrator



City of Port Wentworth, Georgia

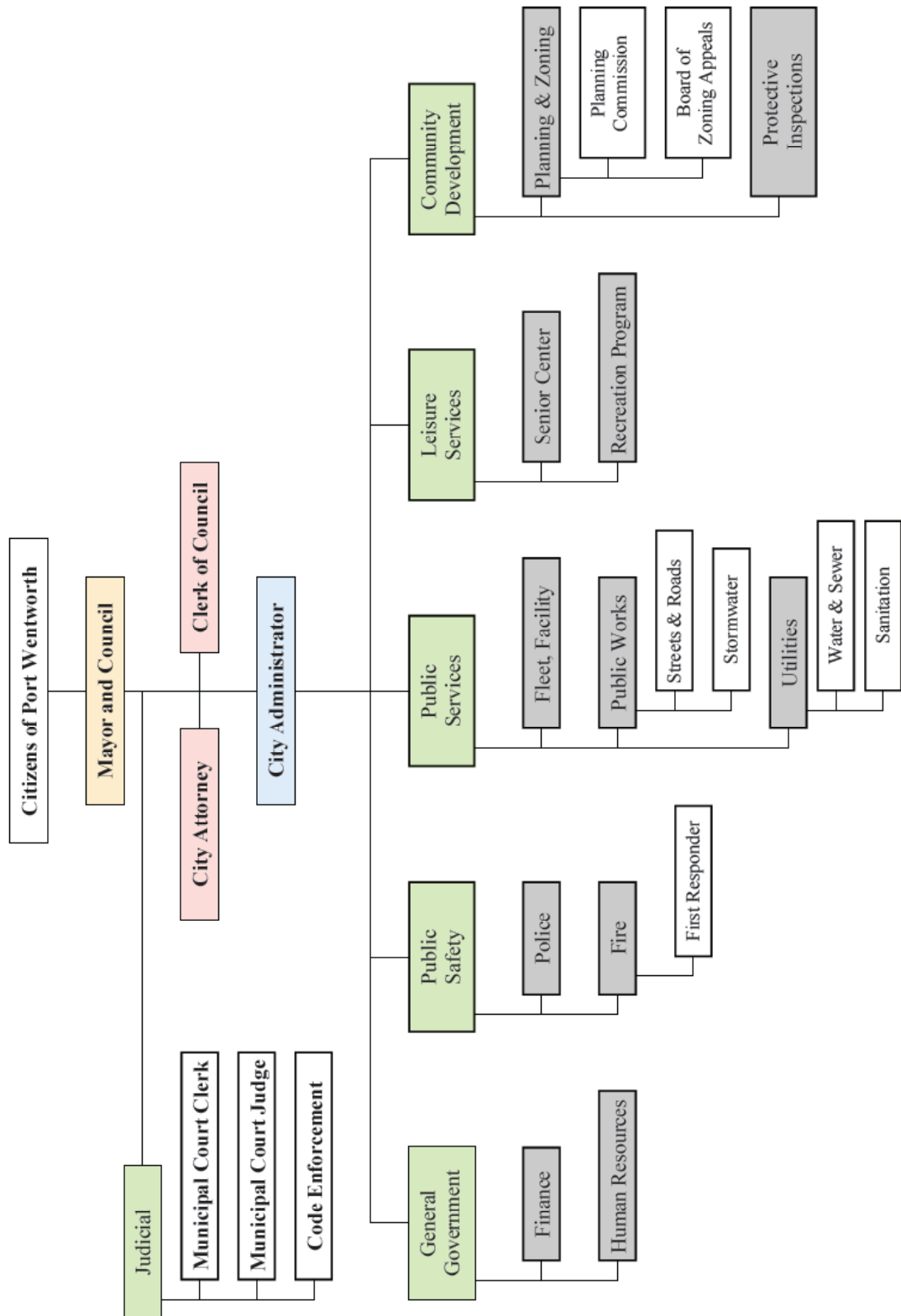
List of Principal Officials

Mayor	G. Glenn Jones
Mayor Pro Tem	Jud Bowers
City Administrator	Phillip Claxton
City Attorney	Eric Gotwalt Elizabeth Pavlis
Clerk of Council	Miriam Jordan
Director of Public Safety	Matthew Libby
Director of Development Services	Brian Harvey
Director of Leisure Services	Tiffany Lancaster

Council Committee Chairpersons

Council Member Jud Bowers	Water, Sewer & Sanitation
Council Member Barbara Powers	Administration, Accounting & Finance
Council Member Bill Herrin	Public Safety
Council Member Debbie Johnson	Planning & Zoning
Council Member Lloyd Stanhope, Jr.	Leisure Services

City of Port Wentworth, Georgia
Organizational Chart





Government Finance Officers Association

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

Presented to

**City of Port Wentworth
Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

A handwritten signature in black ink, reading "Jeffrey R. Egan". The signature is fluid and cursive.

Executive Director/CEO



FINANCIAL SECTION





Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the remaining fund information of the City of Port Wentworth, Georgia, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 remaining fund information of the City of Port Wentworth, Georgia, as of June 30, 2014, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the required supplementary information other than Management's Discussion and Analysis beginning on page C-1 and E-1 respectively be presented to supplement the basic financial statements. Such information, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Port Wentworth, Georgia's basic financial statements. The budgetary comparison schedule for the nonmajor governmental fund, the fiduciary fund statement of changes in assets and liabilities, the schedule of projects constructed with special purpose local option sales tax proceeds, the schedule of required expenditures funded by the hotel/motel tax, and the other information, such as the introductory and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison schedule for the nonmajor governmental fund, the fiduciary fund statement of changes in assets and liabilities, the schedule of projects constructed with special purpose local option sales tax proceeds, and the schedule of required expenditures funded by the hotel/motel tax 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. Such 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 nonmajor governmental fund, the fiduciary fund statement of changes in assets and liabilities, the schedule of projects constructed with special purpose local option sales tax proceeds, and the schedule of required expenditures funded by the hotel/motel tax is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The information identified in the table of contents as the introductory and statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2014 on our consideration of the City of Port Wentworth, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 City of Port Wentworth, Georgia's internal control over financial reporting and compliance.

KRT, CPAs P.C.

KRT, CPAs P.C.

Savannah, Georgia
October 29, 2014



City of Port Wentworth, Georgia

Management's Discussion and Analysis

INTRODUCTION

Our discussion and analysis of the financial performance of the City of Port Wentworth provides an overview of the City's financial activities for the fiscal year ended June 30, 2014. The intent of this management discussion and analysis is to look at the City's financial performance as a whole. Readers should also review the transmittal letter, financial statements and notes to the financial statements to enhance their understanding of the City's financial performance.

The basic financial statements contain three components:

1. Government-wide financial statements including the Statement of Net Position and the Statement of Activities which provide a broad overview of the City's finances;
2. Fund financial statements, including the balance sheets, that provide a greater level of detail of revenues and expenditures and focus on how well the City has performed in the short-term in the most significant funds, and;
3. Notes to the financial statements.

This report presents the financial highlights for last year and contains other supplementary information.

FINANCIAL HIGHLIGHTS

- ⇒ The City's assets exceeded its liabilities at June 30, 2014 by \$50,040,512 (net position). Of this amount, \$16,612,287 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- ⇒ The City's total net position increased \$3,165,673 which is comprised of a \$2,172,847 increase resulting from governmental activities and a \$992,826 decrease resulting from business-type activities.
- ⇒ Key factors resulting in the governmental activities change in net position include the following:
 1. Charges for services were around \$2,294,000, an increase of approximately \$232,000 from the previous year;
 2. Grants and contributions approximated \$710,000, primarily from intergovernmental agencies;
 3. Tax revenues were approximately \$4,915,000, an increase from 2013 of approximately \$545,000;
 4. Governmental activity expenses were approximately \$5,714,000, an increase of around \$76,000 from the previous year;
 5. Transfers to the business-type activities fund were approximately \$71,000, primarily for the North Area water and sewer project.
- ⇒ Key factors resulting in the business-type activities change in net position include:
 1. Charges for services increased approximately \$201,000 as a result of new connections and rate increases;
 2. Capital grants and contributions received this year were \$1,206,031 from aid to construction and federal grants obtained for construction of the new water and sewer infrastructure projects;

City of Port Wentworth, Georgia

Management's Discussion and Analysis (cont.)

3. Transfers from the Governmental Activities Fund were approximately \$71,000 in 2014 compared to \$286,000 in 2013, primarily for debt service repayment in 2013.

⇒ At June 30, 2014, the City's governmental funds balance sheet reports combined ending fund balances of \$12,970,294, an increase of \$2,049,793 from the previous fiscal year. Of this amount, \$8,709,129 remains in the general fund of the City as unassigned.

OVERVIEW OF THE FINANCIAL STATEMENTS

Government-wide Financial Statements:

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private sector business. The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole, presenting both an aggregate and long-term view of the finances. These statements include all assets and liabilities using the accrual basis of accounting. This basis of accounting includes all of the current year's revenues and expenses regardless of when cash is received or paid.

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

The Statement of Activities presents information showing how the 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 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 compensated absences).

Both statements attempt to distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

Governmental activities reported in the statements include General Government, Judicial, Public Safety, Public Services, Leisure Services and Housing and Development. Business-type activities in the City include water and sewer services (Water and Sewer Enterprise Fund).

The government-wide financial statements can be found on pages D-1 through D-3 of this report.

Fund Financial Statements:

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

City of Port Wentworth, Georgia

Management's Discussion and Analysis (cont.)

Governmental Funds - Governmental Funds, presented on pages D - 4 to D - 7, essentially account for the same functions as those reported under the government-wide statement of net position and statement of activities. However, this set of financial statements focuses on events that produce near-term inflows and outflows of spendable resources as well as on the balances of spendable resources available at the end of the fiscal year and is a narrower focus than the government-wide financial statements. Such information may be useful in evaluating the City's near-term financing requirements and available resources.

Because the focus of Governmental Funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for Governmental Funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental funds balance sheets and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are on pages D - 5 and D - 7.

The majority of the City's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds statements provide a detailed short-term view of the City's operations and the services it provides.

Proprietary funds - The City maintains and presents one type of proprietary fund, an enterprise fund found on pages D - 8 to D - 12 of this report.

Enterprise funds report, in greater detail, the same information presented as business-type activities in the government-wide financial statements. The Water and Sewer Enterprise Fund is the only major proprietary fund.

Fiduciary funds - The City maintains and presents one type of fiduciary fund, an agency fund found on page D - 13 of this report.

The Municipal Court Fund is the only fiduciary fund.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in both government-wide and fund financial statements. Notes are presented on pages D - 14 to D - 30 of this report.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's budget process. This required supplementary information begins on page E - 1 of this report.

City of Port Wentworth, Georgia

Management's Discussion and Analysis (cont.)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position:

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's combined net position (government and business-type activities) totaled approximately \$50 million on June 30, 2014.

<i>City of Port Wentworth's Net Position</i>						
	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Assets						
Current and other assets	\$ 14,466,190	\$ 12,817,982	\$ 7,577,764	\$ 5,603,046	\$ 22,043,954	\$ 18,421,028
Capital assets, net	8,477,481	8,301,163	26,247,244	26,987,659	34,724,725	35,288,822
Total assets	22,943,671	21,119,145	33,825,008	32,590,705	56,768,679	53,709,850
Liabilities						
Other liabilities	1,167,035	1,507,591	1,177,619	765,185	2,344,654	2,272,776
Long-term liabilities	54,382	62,147	4,329,131	4,500,088	4,383,513	4,562,235
Total liabilities	1,221,417	1,569,738	5,506,750	5,265,273	6,728,167	6,835,011
Net position						
Net investment in capital assets						
assets	8,477,481	8,301,163	21,748,916	22,331,549	30,226,397	30,632,712
Restricted	3,201,828	2,731,952	-	-	3,201,828	2,731,952
Unrestricted	10,042,945	8,516,292	6,569,342	4,993,883	16,612,287	13,510,175
Total net position	\$ 21,722,254	\$ 19,549,407	\$ 28,318,258	\$ 27,325,432	\$ 50,040,512	\$ 46,874,839

The largest portion of the City's net position (60%) reflect its investment in capital assets such as land, buildings, and equipment, less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to pay these liabilities.

An additional portion of the City's net position (7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of the City's net position (33%) represents the unrestricted net position, may be used to meet the City's ongoing obligations to citizens and creditors. Internally imposed designations of resources are not presented as restricted net position.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position for the government as a whole. Positive balances are reported for the City's separate governmental and business-type activities.

Within the City's governmental activities, restricted net position increased \$469,876 in connection with resources externally restricted for Capital Projects.

The City's total net position increased approximately \$3,170,000. Business-type activities increased approximately \$990,000, while government-type activities increased approximately \$2,180,000.

City of Port Wentworth, Georgia

Management's Discussion and Analysis (cont.)

Change in position:

The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2014 and 2013:

<i>City of Port Wentworth's Changes in Net Position</i>						
	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues						
Program revenues						
Charges for services	\$ 2,294,411	\$ 2,062,030	\$ 2,711,568	\$ 2,510,901	\$ 5,005,979	\$ 4,572,931
Operating grants and contributions	62,588	51,864	-	-	62,588	51,864
Capital grants and contributions	646,579	772,510	1,206,031	231,795	1,852,610	1,004,305
General revenues						
Property taxes	2,137,730	1,985,150	-	-	2,137,730	1,985,150
Sales taxes	1,544,295	1,195,556	-	-	1,544,295	1,195,556
Selective sales and use taxes	875,057	832,579	-	-	875,057	832,579
Business taxes	358,333	357,172	-	-	358,333	357,172
Unrestricted investment earnings	11,766	13,196	14,438	13,474	26,204	26,670
Gain on disposition of capital assets	-	59,633	-	10,463	-	70,096
Miscellaneous	27,153	26,008	76,568	77,601	103,721	103,609
Total revenues	7,957,912	7,355,698	4,008,605	2,844,234	11,966,517	10,199,932
Expenses						
General government	539,215	490,656	-	-	539,215	490,656
Judiciary	136,874	124,347	-	-	136,874	124,347
Public safety	2,787,198	2,775,757	-	-	2,787,198	2,775,757
Public works	1,315,206	1,304,589	-	-	1,315,206	1,304,589
Culture and recreation	454,501	427,733	-	-	454,501	427,733
Housing and development	481,375	504,696	-	-	481,375	504,696
Interest on long-term debt	-	9,931	-	-	-	9,931
Water and sewer	-	-	3,086,475	3,139,537	3,086,475	3,139,537
Total expenses	5,714,369	5,637,709	3,086,475	3,139,537	8,800,844	8,777,246
Changes in net position before transfers	2,243,543	1,717,989	922,130	(295,303)	3,165,673	1,422,686
Transfers	(70,696)	(285,952)	70,696	285,952	-	-
Change in net position	2,172,847	1,432,037	992,826	(9,351)	3,165,673	1,422,686
Net position, beginning	19,549,407	18,117,370	27,325,432	27,334,783	46,874,839	45,452,153
Net position, ending	\$ 21,722,254	\$ 19,549,407	\$ 28,318,258	\$ 27,325,432	\$ 50,040,512	\$ 46,874,839

Approximately 42% of the City's total revenue came from charges for various goods and services, 42% resulted from taxes, and 16% from grants and contributions. The City's expenses cover a range of services. The largest expenses were for public safety, public works, housing and development, and water and sewer services.

The increase in net position for governmental activities was \$2,172,847. The key reasons for this increase were discussed earlier in the financial highlights section. The business-type activities net position increased \$992,826 for the fiscal year ended June 30, 2014. Significantly less transfers from governmental activities in 2014 is the key factor in the resultant increase in net position for business-type activities.

City of Port Wentworth, Georgia

Management's Discussion and Analysis (cont.)

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds:

Governmental Funds provide information on near-term inflows, outflows, and balances of available resources. The Governmental Fund types include the General Fund, Special Revenue Fund, and Capital Projects fund. The General Fund, the Capital Projects Fund, and Hotel/Motel Tax Fund are reported as the City's major funds. The Special Revenue Fund, Confiscated Assets Fund, is presented as Other Governmental Funds.

General Fund

The General Fund is the chief operating fund of the City. As of June 30, 2014, the total fund balance in the General Fund was \$9,768,466. The total amount of unassigned fund balance for the General Fund is \$8,709,129. Assigned fund balance for capital asset replacement was \$617,092 and nonspendable fund balance related to prepaid insurance was \$164,344.

One measure of the General Fund's liquidity is to compare its unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 153% of total General Fund expenditures, while total fund balance represents 169% of that same amount.

The fund balance of the General Fund increased \$1,579,917 during the current fiscal year. Revenues were approximately \$676,000 more than last year majorly due to an increase in taxes received in 2014, expenditures were down by \$204,000 majorly due to the payoff of the capital lease in 2013, and overall, the City was able to meet its operating expenditures with current revenues. Excess revenues over expenditures were \$1,246,533.

Capital Projects

The Capital Projects Fund has a total fund balance of \$3,197,301 which must be used for paving, drainage, fire safety, open space, and waste water treatment projects. The fund balance increased \$489,300 primarily due to prior year monies being spent on a larger number of projects and in the current year monies were only being spent for the Downtown Sewer Rehab Phase 2 project. The Schedule of Projects Constructed with Special Purpose Local Option Sales Tax Proceeds is shown beginning on page F - 3.

Proprietary Funds:

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

At June 30, 2014, total net position amounted to \$28,318,258 for the enterprise fund as compared to \$27,325,432 at June 30, 2013. The increase in the net position of \$992,826 was discussed earlier in the financial highlights section. The enterprise fund is reflected on pages D - 8 to D - 12.

City of Port Wentworth, Georgia

Management's Discussion and Analysis (cont.)

CAPITAL ASSETS

The Statement of Net Position presents capital assets in two groups: those assets subject to depreciation, such as equipment or operational facilities, and those assets not subject to depreciation, such as land and construction-in-progress. At June 30, 2014, the City's net capital assets for both governmental activities and business-type activities totaled \$34,724,725. Capital assets include assets purchased and donated, land, buildings, system improvements and machinery and equipment. Capital assets decreased \$564,097, or 2%, from fiscal year 2013 to 2014. Major capital asset events during the year included road improvements, various drainage and sewer projects, and capital outlays for police vehicles.

Additional information on the City's capital assets can be found in Note 2. C on pages D - 23 through D - 25.

DEBT ADMINISTRATION

The long-term liabilities at June 30, 2014, totaled \$4,320,664, all related to business-type activities.

Total debt of business-type activities decreased by approximately \$158,000 from June 30, 2013. The business-type debt decrease resulted primarily from current year principal payments on loans from GEFA and USDA. Additional information on the City's debt can be found in Note 2. E on pages D - 26 and D - 27.

GENERAL FUND BUDGETARY HIGHLIGHTS

The budgetary comparison schedule of the General Fund provided as required supplementary information other than MD&A can be found beginning on page E - 1.

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 27, 2013, for the fiscal year ended June 30, 2014.

During the year there were supplemental appropriation increases totaling \$51,035 between the original and final amended budget. The supplemental appropriations were obtained to fund road improvements, capital lease retirement and capital outlays, primarily.

The total revenues actually recorded for this fiscal year were \$6,789,112 which is \$673,456 more than the final budgeted figure.

Individual major category variances in resources and explanations are as follows:

- ⇒ Charges for services were over budget by \$147,422 primarily due to sanitation fees collected from new residents and businesses.
- ⇒ Intergovernmental revenues were less than budgeted by \$19,865. Local Maintenance Improvement Grant Program (LMIG) funds were received in the fiscal year ended June 30, 2013, but moved to deferred revenue as all funds were not needed for CDBG road improvements. As of June 30, 2014 all funding was recognized as revenue.

City of Port Wentworth, Georgia

Management's Discussion and Analysis (cont.)

The total expenditures actually recorded for the 2014 fiscal year were \$5,542,579. This figure is \$1,002,492 less than the final budgeted figure.

Individual major category variances in appropriations are as follows:

- ⇒ The police department's actual expenditures were \$264,095 lower than budgeted due to decreased medical costs, lower than anticipated gas costs, retirement insurance costs, and workers compensation.
- ⇒ The fire department's actual expenditures were \$161,318 lower than budgeted as a result of lower insurance costs, lower workers compensation costs, and lower than anticipated equipment repairs.
- ⇒ The leisure services department's actual expenditures were \$106,904 lower than budgeted due to lower insurance costs and gym renovation not as costly as estimated.
- ⇒ The highways and streets department expenditures were \$182,769 lower than budgeted due to a capital project that was budgeted for 2014, which was the Market/Mulberry resurfacing project, but has been postponed until 2015.

ECONOMIC, FISCAL YEAR 2013 BUDGETS AND RATES

The City adopted a \$6,494,036 governmental funds budget for fiscal year 2014. Although not required to budget enterprise fund activity, the City also adopted a \$3,410,256 water and sewer fund budget. The City will continually look for new ways in the future to reduce the reliance on one-time revenue sources. The millage rate for calendar year 2014 and fiscal year 2014, was 4.397 mills.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview for 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 the City of Port Wentworth, City Administrator, 305 South Coastal Highway, Port Wentworth, Georgia 31407.

BASIC FINANCIAL STATEMENTS



GOVERNMENT-WIDE FINANCIAL STATEMENTS



City of Port Wentworth, Georgia

Statement of Net Position

June 30, 2014

	Governmental Activities	Business- type Activities	Total
ASSETS			
Cash and investments	\$ 13,178,859	\$ 6,926,865	\$ 20,105,724
Receivables	962,499	300,763	1,263,262
Internal balances	113,369	(113,369)	-
Prepaid items	164,344	94,261	258,605
Restricted assets			
Cash and investments	47,119	369,244	416,363
Capital assets			
Land, improvements, and construction in progress	539,958	410,489	950,447
Other capital assets, net of depreciation	7,937,523	25,836,755	33,774,278
Total assets	22,943,671	33,825,008	56,768,679
LIABILITIES			
Accounts payable	427,559	610,370	1,037,929
Other accrued liabilities	143,492	7,878	151,370
Unearned revenue	490,939	-	490,939
Customer deposits	36,592	369,244	405,836
Long-term liabilities			
Due within one year			
Notes and loans payable	-	177,664	177,664
Compensated absences	68,453	12,463	80,916
Due in more than one year			
Notes and loans payable	-	4,320,664	4,320,664
Compensated absences	54,382	8,467	62,849
Total liabilities	1,221,417	5,506,750	6,728,167
NET POSITION			
Net investment in capital assets	8,477,481	21,748,916	30,226,397
Restricted for			
Capital projects	3,197,301	-	3,197,301
Confiscated assets	4,527	-	4,527
Unrestricted	10,042,945	6,569,342	16,612,287
Total net position	\$ 21,722,254	\$ 28,318,258	\$ 50,040,512

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

Year ended June 30, 2014

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Grants and	Grants and
			Contributions	Contributions
FUNCTIONS/PROGRAMS				
Governmental activities				
General government	\$ 539,215	\$ 29,803	\$ -	\$ -
Judiciary	136,874	-	-	-
Public safety	2,787,198	1,104,821	62,588	30,147
Public works	1,315,206	937,730	-	616,432
Culture and recreation	454,501	13,876	-	-
Housing and development	481,375	208,181	-	-
Total governmental activities	5,714,369	2,294,411	62,588	646,579
Business-type activity				
Water and sewer	3,086,475	2,711,568	-	1,206,031
Total	\$ 8,800,844	\$ 5,005,979	\$ 62,588	\$ 1,852,610

GENERAL REVENUES

Taxes

Property taxes, levied for general purpose

Sales taxes for general purposes

Selective sales and use taxes

Business taxes

Unrestricted investment earnings

Miscellaneous

TRANSFERS

Total general revenues and transfers

Change in net position

Net position, beginning

Net position, ending

City of Port Wentworth, Georgia

Statement of Activities

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business- Type Activities	Total
\$ (509,412)	\$ -	\$ (509,412)
(136,874)	-	(136,874)
(1,589,642)	-	(1,589,642)
238,956	-	238,956
(440,625)	-	(440,625)
(273,194)	-	(273,194)
(2,710,791)	-	(2,710,791)
-	831,124	831,124
(2,710,791)	831,124	(1,879,667)
2,137,730	-	2,137,730
1,544,295	-	1,544,295
875,057	-	875,057
358,333	-	358,333
11,766	14,438	26,204
27,153	76,568	103,721
(70,696)	70,696	-
4,883,638	161,702	5,045,340
2,172,847	992,826	3,165,673
19,549,407	27,325,432	46,874,839
\$ 21,722,254	\$ 28,318,258	\$ 50,040,512

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



FUND FINANCIAL STATEMENTS



City of Port Wentworth, Georgia

Balance Sheets

June 30, 2014

	General	Capital Projects	Hotel/Motel Tax Fund	Other Governmental Fund	Total Governmental Funds
ASSETS					
Cash and investments	\$ 10,052,314	\$ 3,102,793	\$ 23,752	\$ -	\$ 13,178,859
Receivables	798,720	97,828	65,951	-	962,499
Due from other funds	150,078	-	-	-	150,078
Prepaid items	164,344	-	-	-	164,344
Restricted cash and investments	36,592	-	-	10,527	47,119
Total assets	\$ 11,202,048	\$ 3,200,621	\$ 89,703	\$ 10,527	\$ 14,502,899
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 365,245	\$ -	\$ 56,314	\$ 6,000	\$ 427,559
Other accrued liabilities	143,492	-	-	-	143,492
Due to other funds	-	3,320	33,389	-	36,709
Customer deposits	36,592	-	-	-	36,592
Unearned revenue	490,939	-	-	-	490,939
Total liabilities	1,036,269	3,320	89,703	6,000	1,135,291
Deferred inflows of resources					
Unavailable revenue-taxes	397,314	-	-	-	397,314
Total deferred inflows of resources	397,314	-	-	-	397,314
Fund balances					
Nonspendable					
prepaid items	164,344	-	-	-	164,344
Restricted					
Capital projects funds	-	3,197,301	-	-	3,197,301
Confiscated assets funds	-	-	-	4,527	4,527
Assigned					
Capital asset replacement	617,092	-	-	-	617,092
Subsequent year's budget	277,901	-	-	-	277,901
Unassigned	8,709,129	-	-	-	8,709,129
Total fund balances	9,768,466	3,197,301	-	4,527	12,970,294
Total liabilities, deferred inflows of resources, and fund balances	\$ 11,202,048	\$ 3,200,621	\$ 89,703	\$ 10,527	\$ 14,502,899

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

City of Port Wentworth, Georgia

Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities

<hr/>	
<i>Year ended June 30,</i>	2014
<hr/>	
<i>Amounts reported for governmental activities on the statement of net position differ from the amounts reported on the balance sheets for governmental funds because:</i>	
Total fund balances for governmental activities	\$ 12,970,294
Capital assets used in governmental activities are not current financial resources and therefore, are not reported in the governmental funds (net of accumulated depreciation of \$5,687,358)	8,477,481
Revenues (deferred taxes) in the statement of activities that do not provide current financial resources and are not reported as revenue in the funds:	
Property, sales and franchise taxes levied, but unavailable for use	397,314
Long-term and related liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds balance sheet:	
Compensated absences	<u>(122,835)</u>
Net position of governmental activities	\$ 21,722,254

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

City of Port Wentworth, Georgia

Statement of Revenues, Expenditures, and Changes in Fund Balances

Year ended June 30, 2014

	General	Capital Projects	Hotel/ Motel Tax Fund	Other Governmental Fund	Total Governmental Funds
REVENUES					
Taxes	\$ 4,306,779	\$ -	\$ 666,557	\$ -	\$ 4,973,336
Licenses and permits	225,523	-	-	-	225,523
Intergovernmental	149,043	552,163	-	-	701,206
Charges for services	1,255,770	-	-	-	1,255,770
Fines and forfeitures	813,168	-	-	100	813,268
Investment income	11,726	7,861	21	19	19,627
Miscellaneous	27,103	-	-	-	27,103
Total revenues	6,789,112	560,024	666,578	119	8,015,833
EXPENDITURES					
Current					
General government	524,475	-	-	-	524,475
Judiciary	137,515	-	-	-	137,515
Public safety	2,789,639	-	-	19,543	2,809,182
Public works	1,438,783	-	-	-	1,438,783
Culture and recreation	507,690	-	-	-	507,690
Housing and development	144,477	-	-	-	144,477
Capital outlay	-	70,696	-	-	70,696
Intergovernmental assistance	-	-	333,222	-	333,222
Total expenditures	5,542,579	70,696	333,222	19,543	5,966,040
Excess of revenues over expenditures	1,246,533	489,328	333,356	(19,424)	2,049,793
OTHER FINANCING SOURCES (USES)					
Transfers in	333,384	-	-	-	333,384
Transfers out	-	(28)	(333,356)	-	(333,384)
Total other financing sources (uses)	333,384	(28)	(333,356)	-	-
Net change in fund balances	1,579,917	489,300	-	(19,424)	2,049,793
Fund balances at beginning of year	8,188,549	2,708,001	-	23,951	10,920,501
Fund balances at end of year	\$ 9,768,466	\$ 3,197,301	\$ -	\$ 4,527	\$ 12,970,294

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

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

Year ended June 30, 2014

Net change in Fund Balances - Total Governmental Funds \$ 2,049,793

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital assets reported as capital outlay in governmental funds	\$ 834,657
Depreciation expense reported in the statement of activities	<u>(658,339)</u>

This is the amount by which capital outlays exceeded depreciation in the current period.	176,318
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Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.

Deferred taxes	(57,921)
----------------	----------

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.

Change in compensated absences	<u>4,657</u>
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Change in net position of governmental activities	\$ 2,172,847
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The notes to the basic financial statements are an integral part of this statement.

City of Port Wentworth, Georgia

Water and Sewer Enterprise Fund Statement of Net Position

June 30, 2014

ASSETS

Current assets

Cash and investments	\$ 6,926,865
Accounts receivable, net	300,763
Prepaid items	94,261
Due from other funds	3,320
Restricted cash and investments	369,244

Total current assets	7,694,453
----------------------	-----------

Capital assets

Land, improvements, and construction in progress	410,489
Other capital assets, net of depreciation	25,836,755

Total capital assets	26,247,244
----------------------	------------

Total assets	33,941,697
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LIABILITIES

Current liabilities

Accounts payable	610,370
Accrued expenses	7,878
Due to other funds	116,689
Customer deposits	369,244
Compensated absences	12,463
Notes and loans payable	177,664

Total current liabilities	1,294,308
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Non-current liabilities

Compensated absences	8,467
Notes and loans payable	4,320,664

Total non-current liabilities	4,329,131
-------------------------------	-----------

Total liabilities	5,623,439
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NET POSITION

Net investment in capital assets	21,748,916
Unrestricted	6,569,342

Total net position	\$ 28,318,258
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The notes to the basic financial statements are an integral part of this statement.

City of Port Wentworth, Georgia

Water and Sewer Enterprise Fund Statement of Revenues, Expenses, and Changes in Fund Net Position

Year ended June 30, 2014

OPERATING REVENUES	
Charges for services	\$ 2,537,718
Connection fees	173,850
Miscellaneous	76,568
Total operating revenues	2,788,136
OPERATING EXPENSES	
Sewer Department	
Personal services and employee benefits	130,645
Purchased and contracted services	176,728
Supplies	142,972
Depreciation	394,381
Total operating expenses, sewer	844,726
Water Department	
Personal services and employee benefits	164,096
Purchased and contracted services	84,459
Supplies	590,898
Depreciation	236,754
Total operating expenses, water	1,076,207
Wastewater Treatment Department	
Personal services and employee benefits	158,570
Purchased and contracted services	191,565
Supplies	308,082
Depreciation	339,115
Total operating expenses, wastewater treatment	997,332
Total operating expenses	2,918,265
Operating loss	(130,129)
NON-OPERATING REVENUES (EXPENSES)	
Interest income	14,438
Interest expense	(168,210)
Total non-operating expenses, net	(153,772)

City of Port Wentworth, Georgia

Water and Sewer Enterprise Fund Statement of Revenues, Expenses, and Changes in Fund Net Position (cont.)

<i>Year ended June 30, 2014</i>	
Loss before capital contributions and transfers	(283,901)
Capital contributions	1,276,727
Change in net position	992,826
Net position, beginning of year	27,325,432
Net position, end of year	\$ 28,318,258

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

City of Port Wentworth, Georgia

Water and Sewer Enterprise Fund Statement of Cash Flows

Year ended June 30, 2014

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 2,814,515
Cash payments to suppliers for goods and services	(1,186,951)
Cash payments to employees for services	(456,199)
Net cash provided by operating activities	1,171,365
CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES	
Increase in interfund advances	42,810
Net cash provided by non-capital financing activities	42,810
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal paid on long-term debt	(157,782)
Interest paid on long-term debt	(168,780)
Aid to construction	1,006,031
Capital grant- Savannah-Chatham County Public School System	200,000
Acquisition and construction of capital assets	(96,756)
Net cash provided by capital and related financing activities	782,713
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	14,438
Net cash provided by investing activities	14,438
Net increase in cash and cash equivalents	2,011,326
Cash and cash equivalents, beginning of year	5,284,783
Cash and cash equivalents, end of year	\$ 7,296,109
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating loss	\$ (130,129)
Adjustments to reconcile operating loss to net cash provided by operating activities	
Depreciation	970,250
Changes in assets and liabilities	
Decrease in accounts receivable	2,787
Increase in prepaid items	(9,016)
Increase in accounts payable	317,583
Increase in customer deposits	23,592
Decrease in compensated absences	(3,702)
Total adjustments	1,301,494
Net cash provided by operating activities	\$ 1,171,365

City of Port Wentworth, Georgia

Water and Sewer Enterprise Fund Statement of Cash Flows (cont.)

Year ended June 30, 2014

NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES

Capital assets constructed or acquired with SPLOST resources	\$	70,696
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Total non-cash capital and related financing activities	\$	70,696
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The notes to the basic financial statements are an integral part of this statement.

City of Port Wentworth, Georgia

Fiduciary Fund - Agency Fund Statement of Fiduciary Assets and Liabilities

<i>June 30, 2014</i>	
	<u>Municipal Court Fund</u>
ASSET	
Cash	\$ 219,530
Total asset	\$ 219,530
LIABILITY	
Due to others	\$ 219,530
Total liability	\$ 219,530

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

City of Port Wentworth, Georgia

Notes to the Basic Financial Statements

NOTE 1	Summary of Significant Accounting Policies	
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City of Port Wentworth, Georgia

Notes to the Basic Financial Statements

1. Summary of Significant Accounting Policies

The financial statements of the City of Port Wentworth (the City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting for establishing governmental accounting and financial reporting principles. The significant accounting policies are described below:

A. Financial 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 accounting principles generally accepted in the United States of America, 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 (see note below for description) 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 has no blended component units.

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 nonfiduciary activities of the primary government and its component unit. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from its legally separate component unit for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or activity is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. 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 activity, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

City of Port Wentworth, Georgia

Notes to the Basic Financial Statements (cont.)

1. Summary of Significant Accounting Policies (cont.)

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary 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 of 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, revenues are considered to be available if they are collected within thirty (30) days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the payment is due.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated within the current 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.

Fiduciary (agency) funds are used to report assets held in an agency capacity for others and therefore are not available to support City programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency funds report only assets and liabilities.

The City reports the following major governmental funds:

- **General Fund** - The government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- Capital Projects - **Capital Projects Fund** - The fund that accounts for the City's share of the special purpose local option sales tax (SPLOST) proceeds which are restricted for the acquisition or construction of specific capital projects or items.
- Special Revenue - **Hotel/Motel Tax Fund** - The fund that accounts for proceeds of the lodging tax that are restricted by local ordinance for the promotion of convention and tourism.

The City reports the following major proprietary fund:

- Enterprise - **Water and Sewer Fund** - The Water and Sewer Fund operates the water distribution system, the sewer treatment plant, sewage pumping stations and collection systems.

City of Port Wentworth, Georgia

Notes to the Basic Financial Statements (cont.)

1. Summary of Significant Accounting Policies (cont.)

C. Measurement Focus and Basis of Accounting (cont.)

Additionally, the City reports the following fund type:

- Agency Fund - ***Municipal Court Fund*** - The Municipal Court Fund accounts on a temporary basis for fines collected by the municipal court that ultimately are transmitted to the general fund.

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 Water and Sewer Enterprise Fund are charges to customers for sales and services. The Water and Sewer Fund also recognizes as revenue the portion of the tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the Water and Sewer Enterprise Fund include the cost of sales and service, 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. Assets, Liabilities, and Equities

1. *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 bankers 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 (OCGA 36-83-8). The pool operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the 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).

2. *Receivables and payables* - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal period are referred to as either "due from/to other funds" (i.e., the current portion of interfund loans) or "advances from/to other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due from/to other funds." Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade receivables are shown net of an allowance for uncollectible accounts. Delinquent accounts receivables based on prior credit experience are provided for by an allowance for uncollectibles. The general fund sanitation allowance for uncollectibles is \$70,200 and the Water and Sewer Enterprise Fund allowance for uncollectibles is \$171,979 at June 30, 2014.

Property taxes are levied as of January 1 on property values assessed on the same day. A millage rate of 4.397 mills was adopted on June 27, 2013. The tax levy is divided into two billings: the first billing (mailed April 30th) is an estimate of the current year's levy based on the prior year's taxes; the second billing (mailed October 31st) reflects adjustments to the current year's actual levy. The billings are considered past due 60 days after the second tax billing date at which time the applicable property is subject to lien and penalties and interest are assessed.

City of Port Wentworth, Georgia

Notes to the Basic Financial Statements (cont.)

1. Summary of Significant Accounting Policies (cont.)

D. Assets, Liabilities, and Equities (cont.)

3. *Prepaid items* - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items using the consumption method are reported as assets and are recognized as expenditures when used.

4. *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. Restricted assets in the general fund and the Water and Sewer Enterprise Funds represent cash and cash equivalents set aside for repayment of sanitation cart deposits and water utility deposits to customers. A sinking fund account is also set up for the USDA loan to hold the required reserved as established by USDA.

5. *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. Capital assets, other than infrastructure assets, are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. The amounts spent for the construction or acquisition of general infrastructure assets subsequent to July 1, 2003 are capitalized and reported in the government-wide financial statements regardless of their amount. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. General infrastructure assets acquired prior to July 1, 2003 are not reported in the government-wide financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are reported at their fair value as of the date received. 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.

All capital assets are depreciated, except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation for governmental and business-type activities is computed using the straight-line method over the following useful lives:

Assets	Years
Buildings and improvements	20 - 50
Infrastructure	20 - 50
Machinery and equipment	5 - 20
Vehicles	3 - 8

6. *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 governmental-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.

7. *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 the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expense in the period incurred.

City of Port Wentworth, Georgia

Notes to the Basic Financial Statements (cont.)

1. Summary of Significant Accounting Policies (cont.)

D. Assets, Liabilities, and Equities (cont.)

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

8. Fund equity -

Fund financial statements – Beginning with fiscal year 2011, the City implemented GASB Statement 54, “Fund Balance Reporting and Governmental Fund Type Definitions”. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- *Non-spendable* – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- *Restricted* – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors, or amounts constrained due to constitutional provisions or enabling legislation.
- *Committed* – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.
- *Assigned* – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.
- *Unassigned* – includes fund balance amounts that are available for any purpose; positive amounts are reported only in the general fund.

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council has by resolution authorized the City Manager to assign fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

City of Port Wentworth, Georgia

Notes to the Basic Financial Statements (cont.)

1. Summary of Significant Accounting Policies (cont.)

D. Assets, Liabilities, and Equities (cont.)

8. Fund equity (cont.) -

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Government-wide financial statements - Equity is classified as net position and displayed in three components:

1. *Net investment in capital assets* - Amount of capital assets, net of accumulated depreciation, less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
2. *Restricted net position* - Amounts of net position that are subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors, or laws and regulations of other governments; or 2) law through constitutional provisions or enabling legislation.
3. *Unrestricted net position* - Net position that is classified neither as restricted net position nor as net investment in capital assets.

Sometimes the government will fund outlays for a particular purpose from both restricted (i.e., grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

9. *Use of estimates* - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that may affect the amounts reported in the financial statements and the related notes. Accordingly, actual results could differ from these estimates.

10. *Deferred outflows/inflows of resources* - In addition to assets, the statement of financial 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 position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

City of Port Wentworth, Georgia

Notes to the Basic Financial Statements (cont.)

1. Summary of Significant Accounting Policies (cont.)

D. Assets, Liabilities, and Equities (cont.)

10. *Deferred outflows/inflows of resources (cont.)* - In addition to liabilities, the statement of financial position 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 position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

2. Detailed Notes on all Funds

A. Cash and Investments

As of June 30, 2014, the City had the following investments:

Investment	Maturities	Fair Value
Georgia Fund I (Local Government Investment Pool)	Less than 1 Year	\$ 6,053,937

Interest rate risk - the risk that changes in interest rates will adversely affect the value of an investment. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk - the risk that an issuer or counterparty to an investment will not fulfill its obligations. The City has no investment policy that would further limit its investment choices from those authorized and listed in Note 1. D.1. As of June 30, 2014, the City's investment in the Georgia Fund I was rated AA+ by Standards & Poor's.

The carrying amount of the City's cash and investments totaled \$20,741,617 on June 30, 2014 as summarized below (by type and by balance sheet classification):

Accounts by Type		June 30, 2014
Deposits	\$	14,686,880
Investments		6,053,937
Petty cash funds		800
Total carrying value of cash and cash equivalents	\$	20,741,617
Accounts by Balance Sheet Classification		June 30, 2014
Cash and cash equivalents	\$	20,105,724
Restricted cash and cash equivalents		416,363
Agency fund cash		219,530
Total carrying value of cash and cash equivalents	\$	20,741,617

City of Port Wentworth, Georgia

Notes to the Basic Financial Statements (cont.)

2. Detailed Notes on all Funds (cont.)

A. Cash and Investments (cont.)

Custodial credit risk - the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. Official Code of Georgia Annotated (O.C.G.A.) Section 45-8-12 provides that there shall not be on deposit at any time in any depository for a time longer than ten days a sum of money which has not been secured by a surety bond, by guarantee of insurance, or by collateral. The aggregate of the face value of such surety bond and the fair value of securities pledged shall be equal to not less than 110% of the public funds being secured after the deduction of insurance provided by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000. The City has no custodial credit risk policy that would require additional collateral requirements. At June 30, 2014, 100% of the City's deposits were insured or collateralized with securities held by the City, an agent in the name of the City, or securities pledged by financial institutions in the name of the City.

B. Receivables

Receivables as of year-end, including the applicable allowances for uncollectibles, are as follows:

June 30, 2014	General	Capital Projects	Hotel/Motel Tax Fund	Water and Sewer	Total
Receivables					
Taxes	\$ 496,414	\$ -	\$ 65,951	\$ -	\$ 562,365
Accounts	180,163	-	-	472,742	652,905
Intergovernmental	192,343	97,828			290,171
Gross receivables	868,920	97,828	65,951	472,742	1,505,441
Allowance for uncollectibles	(70,200)	-	-	(171,979)	(242,179)
Total net receivables	\$ 798,720	\$ 97,828	\$ 65,951	\$ 300,763	\$ 1,263,262

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 were as follows:

June 30, 2014	Unavailable	Unearned	Total Unearned and Unavailable
2014 Property tax collection	\$ -	\$ 490,939	\$ 490,939
Delinquent property taxes receivable	53,246	-	53,246
Franchise taxes receivable	344,068	-	344,068
	\$ 397,314	\$ 490,939	\$ 888,253

City of Port Wentworth, Georgia

Notes to the Basic Financial Statements (cont.)

2. Detailed Notes on all Funds (cont.)

C. Capital Assets

Capital asset activity for the year ended June 30, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities					
<i>Non-depreciable assets</i>					
Land	\$ 538,858	\$ -	\$ -	\$ -	\$ 538,858
Construction in progress	-	1,100	-	-	1,100
Total capital assets not being depreciated	538,858	1,100	-	-	539,958
<i>Depreciable assets</i>					
Buildings and improvements	2,641,780	135,156	-	-	2,776,936
Machinery, equipment and vehicles	3,524,497	381,256	-	-	3,905,753
Infrastructure	6,625,047	317,145	-	-	6,942,192
Subtotals depreciable assets	12,791,324	833,557	-	-	13,624,881
<i>Accumulated depreciation</i>					
Buildings and improvements	(1,244,058)	(85,927)	-	-	(1,329,985)
Machinery, equipment and vehicles	(2,510,854)	(332,712)	-	-	(2,843,566)
Infrastructure	(1,274,107)	(239,700)	-	-	(1,513,807)
Subtotals accumulated depreciation	(5,029,019)	(658,339)	-	-	(5,687,358)
Total capital assets being depreciated, net	7,762,305	175,218	-	-	7,937,523
Governmental activities capital assets, net					
	\$ 8,301,163	\$ 176,318	\$ -	\$ -	\$ 8,477,481

City of Port Wentworth, Georgia

Notes to the Basic Financial Statements (cont.)

2. Detailed Notes on all Funds (cont.)

C. Capital Assets (cont.)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities					
<i>Non-depreciable assets</i>					
Land	\$ 236,232	\$ -	\$ -	\$ -	\$ 236,232
Construction in progress	5,573	168,683	-	-	174,256
Total capital assets not being depreciated	241,805	168,683	-	-	410,488
<i>Depreciable assets</i>					
Buildings and improvements	37,808	-	-	-	37,808
Machinery, equipment and vehicles	304,117	61,152	-	-	365,269
Infrastructure	32,435,640	-	-	-	32,435,640
Subtotals depreciable assets	32,777,565	61,152	-	-	32,838,717
<i>Accumulated depreciation</i>					
Buildings and improvements	(18,143)	(980)	-	-	(19,123)
Machinery, equipment and vehicles	(203,620)	(21,850)	-	-	(225,470)
Infrastructure	(5,809,948)	(947,420)	-	-	(6,757,368)
Subtotals accumulated depreciation	(6,031,711)	(970,250)	-	-	(7,001,961)
Total capital assets being depreciated, net	26,745,854	(909,098)	-	-	25,836,756
Business-type activities					
capital assets, net	\$ 26,987,659	\$ (740,415)	\$ -	\$ -	26,247,244
Less related long-term debt outstanding					(4,498,328)
Net investment in capital assets					\$ 21,748,916

City of Port Wentworth, Georgia

Notes to the Basic Financial Statements (cont.)

2. Detailed Notes on all Funds (cont.)

C. Capital Assets (cont.)

Depreciation expense was charged to governmental and business-type activities as follows:

June 30, 2014

Governmental activities

General government	\$	39,934
Public safety		272,037
Public works (streets and sanitation)		266,518
Culture and recreation		78,278
Planning and zoning		1,572

Total governmental activities depreciation expense

\$ 658,339

Business-type activities

Sewer	\$	394,381
Water		236,754
Wastewater treatment		339,115

Total business-type activities depreciation expense

\$ 970,250

D. Interfund Receivables, Payables, and Transfers

Interfund receivable and payable balances as of June 30, 2014 are as follows:

Receivable Fund	Payable Fund	Amount
Water and Sewer Fund	SPLOST Fund	3,320
General Fund	Hotel/Motel Tax Fund	\$ 33,389
General Fund	Water and Sewer Fund	116,689
Total interfund receivables and payables		\$ 153,398

These balances represent loans between the borrower fund and the lender fund. These balances resulted from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made. Interfund receivables and payables are reported in the fund financial statements; however, they are eliminated in the government-wide financial statements if the interfund loan is between governmental funds.

A summary of interfund transfers by fund type is as follows:

Transfer In	Transfer Out	Purpose	Amount
General Fund	Hotel/Motel Tax Fund	Distribution of tax revenue	\$ 333,356
General Fund	SPLOST	Close out SPLOST account	28
			\$ 333,384

City of Port Wentworth, Georgia

Notes to the Basic Financial Statements (cont.)

2. Detailed Notes on all Funds (cont.)

D. Interfund Receivables, Payables, and Transfers (cont.)

Interfund transfers are used to: 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, 2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and 3) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers are eliminated in the government-wide financial statements if the interfund transfer is within the governmental fund group.

E. Long-term Debt

Notes and loans payable - business-type activities

GEFA Loans - The City has entered into a loan agreement 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. A 5.4% GEFA loan was executed in fiscal year 2004, for \$2,091,667, with a maturity date of September 1, 2021. This loan provided funding for a new water and sewer extension.

Annual debt service requirements to maturity for the GEFA loan is as follows:

Year ending June 30,	Business-Type Activities		
	Principal	Interest	Total
2015	\$ 125,646	\$ 55,283	\$ 180,929
2016	132,491	48,438	180,929
2017	139,940	40,989	180,929
2018	147,581	33,348	180,929
2019	155,713	25,216	180,929
2020 - 2022	369,088	24,656	393,744
	\$ 1,070,459	\$ 227,930	\$ 1,298,389

City of Port Wentworth, Georgia

Notes to the Basic Financial Statements (cont.)

2. Detailed Notes on all Funds (cont.)

D. Interfund Receivables, Payables, and Transfers (cont.)

USDA Loan - The City has a loan agreement with United States Department of Agriculture, Rural Development, Community Programs Division (USDA). 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. As of June 30, 2014, the account had a balance of \$763,835. This amount is accounted for in the Water and Sewer Enterprise Fund cash and investments balance.

Annual debt service requirements to maturity for the USDA loan is as follows:

Year ending June 30,	Business-Type Activities		
	Principal	Interest	Total
2015	\$ 52,018	\$ 93,614	\$ 145,632
2016	53,467	92,165	145,632
2017	54,956	90,676	145,632
2018	56,486	89,146	145,632
2019	58,059	87,573	145,632
2020 - 2024	315,469	412,691	728,160
2025 - 2029	361,913	366,247	728,160
2030 - 2034	415,195	312,965	728,160
2035 - 2039	476,320	251,840	728,160
2040 - 2044	546,444	181,716	728,160
2045 - 2049	626,893	101,267	728,160
2050 - 2052	410,649	17,288	427,937
	\$ 3,427,869	\$ 2,097,188	\$ 5,525,057

Changes in long-term liabilities:

	Outstanding 07/01/13	Issued	Retired	Outstanding 06/30/14	Due Within One Year
Governmental activities					
Compensated absences	\$ 127,492	\$ 29,257	\$ 33,914	\$ 122,835	\$ 68,453
Total governmental activities	\$ 127,495	\$ 29,257	\$ 33,914	\$ 122,835	\$ 68,453
Business-type activities					
Loans payable	\$ 4,656,110	\$ -	\$ 157,782	\$ 4,498,328	\$ 177,664
Compensated absences	24,632	7,037	10,739	20,930	12,463
Total business-type activities	\$ 4,680,742	\$ 7,037	\$ 168,521	\$ 4,519,258	\$ 190,127

For the governmental activities, long-term liabilities are generally liquidated by the general fund. For business-type activities, long-term liabilities are liquidated by the Water and Sewer Enterprise Fund.

City of Port Wentworth, Georgia

Notes to the Basic Financial Statements (cont.)

3. Other Information

A. Defined Benefit Pension Plan

Plan description - The City's defined benefit pension plan, City of Port Wentworth Retirement Plan (the Plan), provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to Plan members and beneficiaries. The Plan is an agent multiple-employer pension plan administered by the Georgia Municipal Employees Benefit System (GMEBS). Benefit provisions and other requirements are established and may be amended by local ordinance. The GMEBS 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 South West, Atlanta, Georgia 30303.

All full-time employees are eligible for participation in the Plan. Any eligible employee who has completed one year of service may participate in the Plan. Employees become vested after five years of service to the City.

The following is the Plan membership at January 1, 2014:

Active Plan participants	52
Retirees and beneficiaries currently receiving benefits	33
Terminated Plan participants entitled to, but not yet receiving benefits	27
Total	112

Funding policy - The City is required to contribute at an actuarially determined rate. Section 47-20 of the Georgia Code sets forth the minimum fund standards for state and local governmental pension plans. Administrative expenses are based on total covered compensation of active Plan participants and are added to the state required fund requirements. Employees are not required to contribute to the Plan.

The Georgia Constitution enables the governing authority of the City to establish and amend from time to time the contribution rates for the City and its Plan participants.

The City's funding policy is to contribute at least the minimum actuarially determined contribution in accordance with the State of Georgia's requirements. As of January 1, 2014, the most recent actuarial valuation date, the minimum City contribution rate is 7.13% of covered payroll. There are no legal or contractual maximum contributions to the Plan.

Funding status and funding progress - As of January 1, 2014, the actuarial value of assets was \$5,879,530 and the actuarial accrued liability for the benefits was \$5,087,980. The actuarial value of assets was in excess of the actuarial accrued liability by \$791,550. The actuarial accrued liability includes \$2,769,385 for pensioners and beneficiaries, \$605,123 for inactive participants with vested rights, and \$1,713,472 for active participants. The actuarial value of assets as a percentage of the actuarial accrued liability was 115.56% (funded ratio). The covered payroll (annual payroll of active employees covered by the Plan) was \$1.8 million and the ratio of the unfunded actuarial accrued liability to the covered payroll was zero.

The annual recommended contribution is the sum of the normal cost, the level dollar amortization of the unfunded actuarial accrued liability, and interest on these amounts from the valuation date to the date contributions are paid. The normal cost, including administrative expenses, was \$122,543.

City of Port Wentworth, Georgia

Notes to the Basic Financial Statements (cont.)

3. Other Information (cont.)

A. Defined Benefit Pension Plan (cont.)

Actuarial valuation information - Actuarial valuations for pension plans involve the estimates of the value of reported amounts and assumptions about the probability of events far into the future, and that actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made in the future.

The City's actuarial valuation information is as follows:

Current valuation date	January 1, 2014
Actuarial cost method	Project unit credit
Amortization method	Level dollar for remaining unfunded liability, closed
Asset valuation method	Smoothed market value
Remaining amortization period	n/a
Actuarial assumptions:	
Investment rate of return	7.75%
Projected salary increases	3.5% plus age and merit increases
Expected annual inflation	3.5%
Social security wage base increase	3.5%

Three-year trend information - Trend information, which gives an indication of the progress made in accumulating sufficient assets to pay benefits when due, is presented below:

Fiscal Year Ending June 30,	Annual Pension Cost (APC)	Actual Contribution Made	Percentage of APC Contributed	Net Pension Obligations
2012	\$ 247,603	\$ 247,603	100%	\$ -
2013	\$ 234,976	\$ 234,976	100%	\$ -
2014	\$ 129,300	\$ 129,300	100%	\$ -

The Schedule of Funding Progress, presented as Required Supplementary Information, following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the Plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

City of Port Wentworth, Georgia

Notes to the Basic Financial Statements (cont.)

3. Other Information (cont.)

B. Defined Contribution Plan

Plan description - 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. One employee is eligible to participate in the Plan. The Plan requires the City to contribute 8.2% of the eligible participant's salary (employer portion). There are no required contributions by Plan members. 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, 2014, the City paid \$5,699 to the Plan.

C. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions, 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, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

As part of these risk pools, the City is required to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's 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 pool's agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim 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.

D. Commitments and Contingencies

The City receives a number of grants which are subject to program compliance audits by the grantors. Non-compliance with the terms and provisions of these grant agreements could result in contingent liabilities to the grantor agencies.

Various claims are pending against the City. The City attorney estimates that the potential effect of these claims net of insurance coverage would not be material in relation to the overall financial statements.

E. Membership in a Regional Commission

Under Georgia law, the City is a member of the Coastal Regional Commission (CRC) and is required to pay annual dues thereto. During its year ended June 30, 2013, the City paid \$5,359 in such dues. Membership in a Regional Commission is required by the Official Code of Georgia Annotated (O.C.G.A.) Section 50-8-34 which provides for the organizational structure of the CRC in Georgia. The CRC Board membership includes five members from the Chatham County governments: the Mayors of the Cities of Savannah, Pooler, and Tybee Island and two commissioners of Chatham County, Georgia. Therefore, the City of Port Wentworth has no direct representation on the Board. The total Board membership is 37. Other county representation is as follows: Bryan - 3, Bulloch - 5, Camden - 4, Effingham - 4, Glynn - 5, Liberty - 5, Long - 3, and McIntosh - 3. O.C.G.A. 50-8-39.1 provides that the member governments are liable for any debts or obligations of a CRC. Management believes that the CRC is currently accumulating sufficient financial resources to meet its financial obligations. Separate financial statements may be obtained from the Coastal Georgia Regional Development Center, P.O. Box 1917, Brunswick, Georgia 31521.

**REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN
MANAGEMENT'S DISCUSSION & ANALYSIS**



City of Port Wentworth, Georgia

General Fund Budgetary Comparison Schedule

Year ended June 30, 2014

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 3,971,000	\$ 3,971,000	\$ 4,306,779	\$ 335,779
Licenses and permits	77,000	77,000	225,523	148,523
Intergovernmental revenues	168,908	168,908	149,043	(19,865)
Charges for services	1,108,348	1,108,348	1,255,770	147,422
Fines and forfeitures	756,000	756,000	813,168	57,168
Investment income	12,000	12,000	11,726	(274)
Miscellaneous revenue	13,400	22,400	27,103	4,703
Total revenues	6,106,656	6,115,656	6,789,112	673,456
EXPENDITURES				
Current				
General government				
City Council	86,978	89,570	62,089	27,481
Mayor	20,441	21,089	11,871	9,218
General administration	494,978	499,678	450,515	49,163
Judicial				
Municipal court	168,754	181,254	137,515	43,739
Public safety				
Police	2,383,402	2,383,402	2,119,307	264,095
Fire	831,650	831,650	670,332	161,318
Public works				
Highways and streets	837,075	809,070	616,301	192,769
Storm drainage	223,956	225,556	190,560	34,996
Sanitation	634,092	682,092	631,922	50,170
Culture and recreation				
Recreation	605,594	614,594	507,690	106,904
Housing and development				
Inspections	207,116	207,116	144,477	62,639
Total expenditures	6,494,036	6,545,071	5,542,579	1,002,492
(Deficiency) excess of revenues (under) over expenditures	(387,380)	(429,415)	1,246,533	1,675,948

City of Port Wentworth, Georgia

General Fund Budgetary Comparison Schedule (cont.)

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
OTHER FINANCING SOURCES				
(USES)				
Transfers in	298,664	333,357	333,384	(27)
Transfers out	-	(26,265)	-	26,265
Total other financing sources (uses)	298,664	307,092	333,384	26,292
Net change in fund balance	(88,716)	(122,323)	1,579,917	1,702,240
Fund balance, beginning of year	8,188,549	8,188,549	8,188,549	-
Fund balance, end of year	\$ 8,099,833	\$ 8,066,226	\$ 9,768,466	\$ 1,702,240

City of Port Wentworth, Georgia

Special Revenue - Hotel/Motel Fund Budgetary Comparison Schedule

Year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 597,129	\$ 666,558	\$ 666,557	\$ (1)
Investment income	80	23	21	(2)
Total revenues	597,209	666,581	666,578	(3)
EXPENDITURES				
Intergovernmental assistance	298,545	333,224	333,222	2
Total expenditures	298,545	333,224	333,222	2
Excess (deficiency) of revenues over (under) expenditures	298,664	333,357	333,356	(1)
OTHER FINANCING USES				
Transfers out	(298,664)	(333,357)	(333,356)	1
Total other financing uses	(298,664)	(333,357)	(333,356)	1
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

City of Port Wentworth, Georgia

Notes to Required Supplementary Information

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, 2014, the following supplemental increase and decrease in appropriations were approved:

Fund Type	Original Appropriation	Supplemental Appropriations	Supplemental Decreases	Final Appropriation
General	\$ 6,494,036	\$ 51,035	\$ -	\$ 6,545,071
Hotel/motel tax	298,545	34,679	-	333,224
Confiscated assets	-	19,545	-	19,545

City of Port Wentworth, Georgia

Required Supplementary Information Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability [AAL] (b)	Unfunded (Surplus) AAL [UAAL] (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b) - (a)]/(c)
11/1/2007	\$ 4,029,518	\$ 4,234,554	\$ 205,036	95.16%	\$ 1,346,275	15.23%
11/1/2008	4,301,927	4,676,774	374,847	91.98%	1,753,333	21.38%
10/1/2009	4,215,128	4,451,121	235,993	94.70%	1,822,745	12.95%
01/1/2010	4,547,805	3,833,886	(713,919)	118.62%	1,880,036	-
01/1/2011	4,862,012	4,140,867	(721,145)	117.42%	1,956,436	-
01/1/2012	5,176,165	4,632,875	(543,290)	111.73%	1,856,664	-
01/1/2013	5,505,364	4,862,469	(642,895)	113.22%	1,665,180	-
01/1/2014	5,879,530	5,087,980	(791,550)	115.56%	1,753,002	-



**SUPPLEMENTARY DATA - INDIVIDUAL FUND STATEMENTS, SCHEDULES
AND STATE MANDATED PROGRAM INFORMATION**

City of Port Wentworth, Georgia

Special Revenue Fund - Confiscated Assets Budgetary Comparison Schedule

Year ended June 30, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Fines and forfeitures	\$ -	\$ 100	\$ 100	\$ -
Investment income	-	-	19	(19)
Total revenues	-	100	119	(19)
EXPENDITURES				
Current				
Public safety	-	19,545	19,543	2
Total expenditures	-	19,545	19,543	2
Excess of revenues over expenditures	-	(19,445)	(19,424)	(21)
Net change in fund balance	-	(19,445)	(19,424)	(21)
Fund balance, beginning of year	22,536	23,951	23,951	-
Fund balance, end of year	\$ 22,536	\$ 4,506	\$ 4,527	\$ (21)

City of Port Wentworth, Georgia

Fiduciary (Agency) Fund Statement of Changes in Assets and Liabilities

Year ended June 30, 2014

	Balance July 1, 2013		Additions		Deletions		Balance June 30, 2014	
ASSETS								
Cash and investments	\$	113,815	\$	1,323,373	\$	1,217,658	\$	219,530
Total assets	\$	113,815	\$	1,323,373	\$	1,217,658	\$	219,530
LIABILITIES								
Due to others	\$	113,815	\$	1,323,373	\$	1,217,658	\$	219,530
Total liabilities	\$	113,815	\$	1,323,373	\$	1,217,658	\$	219,530

City of Port Wentworth, Georgia

Schedule of Projects Constructed with Special Purpose Local Option Sales Tax Proceeds

June 30, 2014

	Original Estimated Cost	Revised Estimated Cost	Prior Years	Current Year	Total Cost
1993 SPLOST EXPENDITURES					
City streets	\$ 937,934	\$ 1,199,836	\$ 1,199,836	\$ -	\$ 1,199,836
Various projects / capital replacements:	563,389	-	-	-	-
Water and sewer projects:					
O'Leary Road	-	25,758	25,758	-	25,758
Sleep Inn	-	17,144	17,144	-	17,144
Cargo Group	-	84,010	84,010	-	84,010
Relocation of utilities	-	212,176	212,176	-	212,176
US 21	-	26,195	26,195	-	26,195
Birkenhead	-	16,107	16,107	-	16,107
Aberfeldy	-	16,572	16,572	-	16,572
Cantyre	-	25,925	25,925	-	25,925
Crossgate	-	6,525	6,525	-	6,525
Falkirk	-	24,541	24,541	-	24,541
Pleasant	-	3,268	3,268	-	3,268
Phillips	-	2,410	2,410	-	2,410
Kaiser water and sewer study	-	1,482	1,482	-	1,482
I&D water and supply interconnection	-	2,069	2,069	-	2,069
Bonnybridge	-	2,273	2,273	-	2,273
North area water and sewer project	-	54,203	54,203	-	54,203
Senior citizens facility	-	34,493	34,493	-	34,493
Houlihan Boat Ramp and facilities	-	33,400	33,400	-	33,400
Port Wentworth Gym improvements	-	20,000	20,000	-	20,000
Debt service	-	49,643	49,643	-	49,643
Capital outlay - vehicles	-	105,354	105,354	-	105,354
Total 1993 SPLOST expenditures	\$ 1,501,323	\$ 1,963,384	\$ 1,963,384	\$ -	\$ 1,963,384
1998 SPLOST EXPENDITURES					
Drainage projects					
City drainage project	\$ 1,950,000	\$ -	\$ -	\$ -	\$ -
South Coastal Highway	-	125,000	-	-	-
Black Creek Road	-	102,260	60,000	-	60,000
Clifton Drive	-	130,000	-	-	-
Osteen Street	-	132,395	14,138	-	14,138
Grange Road	-	250,000	-	-	-
800 Block, Armadale Road	-	227,145	4,018	-	4,018
300 Block, Birkenhead Street	-	115,000	-	-	-
200 Block, Phillips Avenue	-	115,000	21,865	-	21,865
Falkirk Street	-	113,570	-	-	-
O'Leary Road at Black Creek	-	151,615	-	-	-
Gordon Street	-	113,570	-	-	-
Cantyre Street	-	113,570	-	-	-
Mobley Park	-	90,000	161,878	-	161,878
Gordon and Crossgate	-	7,000	6,732	-	6,732
Pine Forest	-	5,500	6,945	-	6,945
Saussy Road	-	5,500	5,210	-	5,210
Berrien Road	-	5,000	2,013	-	2,013
North area water and sewer project	-	147,875	167,592	-	167,592
Drainage equipment	50,000	50,000	50,000	-	50,000
Total drainage project	2,000,000	2,000,000	500,391	-	500,391

City of Port Wentworth, Georgia

Schedule of Projects Constructed with Special Purpose Local Option Sales Tax Proceeds (cont.)

<i>June 30, 2014</i>					
	Original Estimated Cost	Revised Estimated Cost	Prior Years	Current Year	Total Cost
1998 SPLOST EXPENDITURES (cont.)					
Other capital outlay	458,703	28,174	-	-	-
Black Creek flood study	-	79,448	79,448	-	79,448
Other equipment	-	284,888	330,425	-	330,425
Debt service	-	66,193	66,193	-	66,193
Total 1998 SPLOST expenditures	\$ 2,458,703	\$ 2,458,703	\$ 976,457	\$ -	\$ 976,457
2003 SPLOST EXPENDITURES					
Fire safety	\$ 200,000	\$ 460,926	\$ 460,926	\$ -	\$ 460,926
Open space	20,078	70,400	60,686	-	60,686
Other capital outlay					
Wastewater treatment facilities	2,254,426	2,579,192	2,579,192	-	2,579,192
North area water and sewer project	-	118,123	118,123	-	118,123
Downtown sewer evaluation project	-	65,115	65,115	70,696	135,811
Miscellaneous capital outlay projects	-	288,153	153	-	153
Total other capital outlay	2,254,426	3,050,583	2,762,583	70,696	2,833,279
Total 2003 SPLOST Expenditures	\$ 2,474,504	\$ 3,581,909	\$ 3,284,195	\$ 70,696	\$ 3,354,891
2008 SPLOST EXPENDITURES					
Wastewater	\$ 3,000,000	\$ 3,000,000	\$ 48,510	\$ -	\$ 48,510
Total 2008 SPLOST Expenditures	\$ 3,000,000	\$ 3,000,000	\$ 48,510	\$ -	\$ 48,510

City of Port Wentworth, Georgia

Schedule of Required Expenditures Funded by the Hotel/Motel Tax

<hr/>	
<i>Year ended June 30,</i>	2014
<hr/>	
REVENUES	
Hotel/motel taxes	\$ 666,557
<hr/>	
EXPENDITURES	
Tourism expenditures	\$ 333,222
<hr/>	
Percentage of expenditures to revenues	50%
<hr/>	

City of Port Wentworth, Georgia

Comments Relative to Statistical Section

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

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the City's financial position has changed over time.	G - 2
Revenue Capacity These schedules contain information to help the reader understand and assess the factors affecting the City's ability to generate its most significant local revenue sources, the property tax and the sales tax.	G - 12
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	G - 16
Demographic and Economic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	G - 20
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	G - 22

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

<i>Fiscal year ending June 30,</i>					
	2005	2006	2007	2008	2009 Restated
Governmental activities					
Net investment in capital assets	\$ 1,672,940	\$ 6,283,976	\$ 6,588,310	\$ 7,639,290	\$ 8,300,329
Restricted	3,504,174	4,279,736	4,914,622	5,565,904	4,313,697
Unrestricted	2,808,836	3,747,355	5,283,898	5,856,448	6,074,336
Total governmental activities, net position	\$ 7,985,950	\$ 14,311,067	\$ 16,786,830	\$ 19,061,642	\$ 18,688,362
Business-type activities					
Net investment in capital assets	\$ 3,178,303	\$ 9,383,905	\$ 10,289,924	\$ 11,434,628	\$ 12,051,933
Restricted	-	-	-	-	-
Unrestricted	1,857,053	4,057,772	5,930,614	7,622,749	8,471,261
Total business-type activities, net position	\$ 5,035,356	\$ 13,441,677	\$ 16,220,538	\$ 19,057,377	\$ 20,523,194
Primary government					
Net investment in capital assets	\$ 4,851,243	\$ 15,667,881	\$ 16,878,234	\$ 19,073,918	\$ 20,352,262
Restricted	3,504,174	4,279,736	4,914,622	5,565,904	4,313,697
Unrestricted	4,665,889	7,805,127	11,214,512	13,479,197	14,545,597
Total primary government, net position	\$ 13,021,306	\$ 27,752,744	\$ 33,007,368	\$ 38,119,019	\$ 39,211,556

Net Position by Component - Last Ten Fiscal Years (Accrual Basis of Accounting)

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Fiscal year ending June 30,

	2005	2006	2007	2008	2009
Expenses					
Governmental activities					
General government	\$ 681,219	\$ 831,095	\$ 464,393	\$ 445,468	\$ 376,953
Judiciary	-	192,706	230,602	258,861	166,409
Public safety	1,511,063	1,927,765	2,465,579	2,624,698	2,521,272
Public works	1,122,288	868,218	1,052,322	1,495,859	1,488,022
Culture and recreation	175,893	180,555	276,871	354,264	403,290
Housing and development	280,216	298,304	757,988	948,235	721,276
Interest on long-term debt	-	-	-	463	8,100
Total governmental activities expenses	3,770,679	4,298,643	5,247,755	6,127,848	5,685,322
Business-type activities					
Water and sewer	986,714	818,420	1,208,012	1,699,013	1,656,483
Total business-type activities expenses	986,714	818,420	1,208,012	1,699,013	1,656,483
Total primary government expenses	\$ 4,757,393	\$ 5,117,063	\$ 6,455,767	\$ 7,826,861	\$ 7,341,805
Program revenues					
Governmental activities					
Charges for services					
General government	\$ 40,503	\$ 206,416	\$ -	\$ 11,536	\$ 22,341
Public safety	1,033,443	1,937,841	1,437,478	1,195,313	889,814
Public works	459,078	496,264	581,964	644,002	659,912
Culture and recreation	3,094	10,090	7,119	11,088	7,923
Housing and development	-	-	547,378	482,574	331,609
Operating grants and contributions	76,983	48,408	77,759	87,449	95,509
Capital grants and contributions	557,060	5,121,163	982,055	1,676,149	505,539
Total governmental activities program revenues	2,170,161	7,820,182	3,633,753	4,108,111	2,512,647
Business-type activities - water and sewer					
Charges for services	967,867	1,011,507	1,522,268	1,675,532	1,871,900
Capital grants and contributions	2,626,792	7,533,864	2,077,467	2,602,707	337,888
Total business-type activities program revenues	3,594,659	8,545,371	3,599,735	4,278,239	2,209,788
Total primary government program revenues	\$ 5,764,820	\$ 16,365,553	\$ 7,233,488	\$ 8,386,350	\$ 4,722,435
Net (expense)/revenue					
Governmental activities	\$ (1,600,518)	\$ 3,521,539	\$ (1,614,002)	\$ (2,019,737)	\$ (3,172,675)
Business-type activities	2,607,945	7,726,951	2,391,723	2,579,226	553,305
Total primary government net expense	\$ 1,007,427	\$ 11,248,490	\$ 777,721	\$ 559,489	\$ (2,619,370)

Changes in Net Position - Last Ten Fiscal Years (Accrual Basis of Accounting)

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Fiscal year ending June 30,

	2005	2006	2007	2008	2009 Restated
General revenues and other changes in net position					
Governmental activities					
Property taxes levied for general purposes	\$ 553,815	475,054	\$ 1,205,990	\$ 1,457,243	\$ 1,297,711
Sales taxes levied for general purposes	872,003	1,031,077	1,254,159	1,146,816	1,069,983
Selective sales and use taxes	560,543	596,790	922,412	899,878	782,298
Business taxes	570,556	730,986	244,004	250,270	263,939
Contributions not restricted to specific programs	-	-	-	15,904	18,912
Unrestricted investment earnings	61,836	305,370	474,811	355,226	109,222
Gain on disposition of capital assets	-	-	11,061	38,502	31,585
Miscellaneous income	111,463	15,895	38,666	130,710	34,551
Special item	-	219,681	-	-	-
Transfers	(490,089)	(571,275)	(61,338)	-	(808,806)
Total governmental activities	2,240,127	2,803,578	4,089,765	4,294,549	2,799,395
Business-type activities - water and sewer					
Unrestricted investment earnings	21,157	108,095	270,369	196,769	50,895
Gain (loss) on disposition of capital assets	-	-	(3,127)	-	-
Miscellaneous income	-	-	58,558	60,844	84,061
Transfers	490,089	571,275	61,338	-	808,806
Total business-type activities	511,246	679,370	387,138	257,613	943,762
Total primary government	\$ 2,751,373	3,482,948	\$ 4,476,903	\$ 4,552,162	\$ 3,743,157
Change in net position					
Governmental activities	\$ 639,609	6,325,117	\$ 2,475,763	\$ 2,274,812	\$ (373,280)
Business-type activities	3,119,191	8,406,321	2,778,861	2,836,839	1,497,067
Total primary government	\$ 3,758,800	14,731,438	\$ 5,254,624	\$ 5,111,651	\$ 1,123,787

Changes in Net Position - Last Ten Fiscal Years (Accrual Basis of Accounting)

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City of Port Wentworth, Georgia

Fund Balances, Governmental Funds - Last Ten Fiscal Years (Modified Accrual Basis of Accounting)

Fiscal year ending June 30,

	2005	2006	2007	2008	2009 Restated
General fund					
Reserved	\$ 117,109	\$ 118,640	\$ 167,161	\$ 90,070	\$ 11,664
Unreserved	2,705,579	3,665,031	5,006,275	5,470,772	5,873,879
Nondisposable					
Prepaid items	-	-	-	-	-
Assigned					
Capital asset replacement	-	-	-	-	-
Subsequent year's budget	-	-	-	-	-
Unassigned	-	-	-	-	-
Total general fund	\$ 2,822,688	\$ 3,783,671	\$ 5,173,436	\$ 5,560,842	\$ 5,885,543
All other governmental funds					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in					
Special revenue fund	24,529	25,580	22,181	20,056	21,218
Capital projects fund	3,504,174	4,279,736	4,914,622	5,565,904	4,313,697
Restricted					
Capital project funds	-	-	-	-	-
Confiscated assets funds	-	-	-	-	-
Total all other governmental funds	\$ 3,528,703	\$ 4,305,316	\$ 4,936,803	\$ 5,585,960	\$ 4,334,915

Fiscal year ending June 30,

	2010 Restated	2011 Restated	2012	2013	2014
General fund					
Reserved	\$ 10,769	\$ -	\$ -	\$ -	\$ -
Unreserved	6,310,402	-	-	-	-
Nondisposable					
Prepaid items	-	52,638	159,985	152,342	164,344
Assigned					
Capital asset replacement	-	771,666	752,001	655,746	617,092
Subsequent year's budget	-	1,901,374	458,306	88,716	277,901
Unassigned	-	3,759,290	5,766,602	7,291,745	8,709,129
Total general fund	\$ 6,321,171	\$ 6,484,968	\$ 7,136,894	\$ 8,188,549	\$ 9,768,466
All other governmental funds					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in					
Special revenue fund	12,934	-	-	-	-
Capital projects fund	3,441,702	-	-	-	-
Restricted					
Capital project funds	-	3,706,857	2,757,174	2,708,001	3,197,301
Confiscated assets funds	-	22,261	22,536	23,951	4,527
Total all other governmental funds	\$ 3,454,636	\$ 3,729,118	\$ 2,779,710	\$ 2,731,952	\$ 3,201,828

The City of Port Wentworth implemented GASB 54 for the fiscal year ended June 30, 2012.

Fiscal year ending June 30,

	2005	2006	2007	2008
Governmental funds				
Sales tax	\$ 932,272	\$ 1,031,077	\$ 1,170,273	\$ 1,058,720
Other taxes	1,631,373	1,805,696	2,220,610	2,481,922
Licenses and permits	212,688	418,776	352,830	361,355
Revenue from other governmental units	634,043	915,002	997,790	853,224
Charges for services	502,675	705,289	857,559	887,856
Fines and fees	820,755	1,499,111	1,380,042	1,410,783
Miscellaneous	173,299	329,808	559,009	402,324
Total revenue	4,907,105	6,704,759	7,538,113	7,456,184
Expenditures				
Current				
General government	669,742	797,103	446,091	415,163
Judiciary	-	192,706	225,851	257,847
Public safety	1,420,831	1,835,113	2,619,855	2,634,642
Public works	1,080,727	818,439	869,462	1,251,336
Culture and recreation	140,910	150,217	244,753	320,338
Housing and development	280,216	298,304	440,436	585,655
Intergovernmental assistance	-	-	-	390,209
Capital outlay	99,993	523,687	632,518	1,178,166
Debt service				
Principal	-	-	-	6,163
Interest and other charges	-	-	-	463
Total expenditures	3,692,419	4,615,569	5,478,966	7,039,982
Excess (deficiency) of revenues over (under) expenditures	1,214,686	2,089,190	2,059,147	416,202
Other financing sources (uses)				
Sale of capital assets	-	-	11,061	40,981
Capital leases	-	-	-	497,143
Transfers in	280,327	298,486	629,399	350,837
Transfers out	(770,416)	(869,761)	(678,355)	(350,837)
Insurance recoveries	-	-	-	82,237
Total other financing (uses) sources	(490,089)	(571,275)	(37,895)	620,361
Special item - sale of land	-	219,681	-	-
Net change in fund balances	\$ 724,597	\$ 1,737,596	\$ 2,021,252	\$ 1,036,563
Debt service as a percentage of non-capital expenditures	0.00%	0.00%	0.00%	0.11%

**Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)**

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City of Port Wentworth, Georgia

Schedule of Tax Revenues and Franchise Fees - Last Ten Fiscal Years (Modified Accrual Basis of Accounting)

Fiscal Year Ending June 30,	Property Tax	Local Option Sales Tax	Business & Insurance Premium Tax	Malt & Alcohol Beverage Tax	Hotel/ Motel Taxes	Utility & Cablevision Franchise Fees	Annual Totals
2004	\$ 238,314	\$ 872,003	\$ 215,486	\$ 164,577	\$ 540,149	\$ 235,735	\$ 2,266,264
2005	442,573	932,272	224,404	165,740	560,543	238,113	2,563,645
2006	517,796	1,031,077	243,712	177,454	596,790	269,944	2,836,773
2007	750,330	1,170,273	244,004	184,834	737,578	282,814	3,369,833
2008	1,006,223	1,058,720	250,270	201,865	698,013	325,551	3,540,642
2009	1,076,199	1,004,980	263,939	186,888	595,410	374,776	3,502,192
2010	1,170,017	963,421	257,665	181,183	517,526	457,572	3,547,384
2011	1,338,751	974,303	247,391	191,625	515,463	499,776	3,767,309
2012	1,299,614	1,047,670	344,275	201,955	583,233	598,336	4,075,083
2013	1,452,767	1,195,077	357,172	212,719	619,860	540,083	4,377,678
2014	1,558,786	1,536,698	358,333	208,500	666,557	644,462	4,973,336

Source: City records

Note 1: Table includes general fund and special revenue - hotel/motel tax fund.

City of Port Wentworth, Georgia

Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years

Calendar Year	Real Property		Personal Property		Utilities and Other Property		Total		Ratio of Total Assessed to Total Estimated Value	Total Direct Tax Rate
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2004	\$ 85,820,934	\$ 214,552,335	\$ 29,841,003	\$ 74,602,508	\$ 1,241,776	\$ 3,104,440	\$ 116,903,713	\$ 292,259,283	40.00%	4.500
2005	93,350,834	233,377,085	31,843,456	79,608,640	4,490,065	11,225,163	129,684,355	324,210,888	40.00%	4.498
2006	133,044,372	332,610,930	36,540,507	91,351,268	4,472,530	11,181,325	174,057,409	435,143,523	40.00%	4.498
2007	197,906,630	494,766,575	32,282,717	80,706,793	4,656,698	11,641,745	234,846,045	587,115,113	40.00%	4.498
2008	229,005,497	572,513,742	57,525,310	143,813,275	5,411,552	13,528,880	291,942,359	729,855,897	40.00%	4.397
2009	242,817,524	607,043,810	89,153,169	222,882,923	5,740,786	14,351,965	337,711,479	844,278,698	40.00%	4.397
2010	268,292,674	670,731,685	93,347,261	233,368,152	6,003,823	15,009,558	367,643,758	919,109,395	40.00%	4.397
2011	257,276,653	643,191,633	96,236,643	240,591,608	5,958,029	14,895,073	359,471,325	898,678,314	40.00%	4.397
2012	266,262,822	665,657,055	77,872,191	194,680,478	9,316,066	23,290,165	353,451,079	883,627,698	40.00%	4.397
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	40.00%	4.397

Source: Chatham County Tax Assessor

Note 1: The ratio of total assessed to total estimated value is set at 40% by state law.

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

City of Port Wentworth, Georgia

Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years

<i>(Rate per \$1,000 of Assessed Value)</i>					
Tax Year	Operating	Overlapping Rates			Total
	City	School District	County	State	
2004	4.500	17.600	10.367	0.250	32.717
2005	4.498	17.277	11.037	0.250	33.062
2006	4.498	15.817	10.837	0.250	31.402
2007	4.498	13.795	10.537	0.250	29.080
2008	4.397	13.404	10.537	0.250	28.588
2009	4.397	13.404	10.537	0.250	28.588
2010	4.397	14.131	10.537	0.250	29.315
2011	4.397	14.631	10.250	0.250	29.528
2012	4.397	14.631	10.250	0.200	29.478
2013	4.397	15.881	10.908	0.150	31.336

Source: Chatham County Commission - Board minutes and City records.

City of Port Wentworth, Georgia

Principal Property Taxpayers - Current Year and Nine Years Ago

	2013			2004		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Duke Realty	\$ 32,047,724	1	8.70%	\$ -	-	-
RC Residential LLC	7,464,160	2	2.03%	-	-	-
L-A Savannah-Crossgate LLC	5,287,600	3	1.44%	-	-	-
Village at Rice Hope	5,212,280	4	1.42%	-	-	-
Elba Express Company	3,437,783	5	.93%	-	-	-
Carolina Gas Transmission Corp	3,249,177	6	.88%	-	-	-
Port Wentworth Fee Owner LLC	3,016,800	7	.82%	-	-	-
Crescent Investments	2,991,320	8	.81%	-	-	-
DSI Realty Company	2,470,400	9	.67%	-	-	-
Publix	2,455,600	10	.67%	-	-	-
American Warehousing VIII LLC	-	-	-	3,197,800	1	2.74%
Noritake China Company, Inc.	-	-	-	2,965,605	2	2.54%
ardman Stephanie Page Trust	-	-	-	2,542,000	3	2.17%
Savannah Inns, LLC	-	-	-	2,470,600	4	2.11%
Georgia Pacific	-	-	-	2,366,707	5	2.02%
Cargo Group, Limited	-	-	-	1,800,000	6	1.54%
National Warehousing II LLC	-	-	-	1,497,600	7	1.28%
SSA Delaware LLC	-	-	-	1,458,000	8	1.25%
American Port Services	-	-	-	1,254,335	9	1.07%
Coldbrook Station LLC	-	-	-	1,198,400	10	1.03%
Total	\$ 67,632,844		18.37%	\$ 20,751,047		17.75%

Source: Chatham County Tax Assessor

Note: This data is based on calendar year assessed valuations.

City of Port Wentworth, Georgia

Property Tax Levies and Collections - Last Ten Fiscal Years

Calendar Year ⁽¹⁾	Total Tax Levy ⁽²⁾		Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections for Subsequent Years	Total Collections to Date						
					Amount	Percentage of Levy		Amount	Percentage of Levy					
2004	\$	379,435	\$	18,977	\$	398,412	\$	292,107	76.98%	\$	106,294	\$	398,401	100.00%
2005		424,122		12,444		436,566		417,180	98.36%		19,375		436,555	100.00%
2006		554,497		(28,809)		525,688		528,540	95.32%		(2,864)		525,676	100.00%
2007		852,233		(21,065)		831,168		764,444	89.70%		66,710		831,154	100.00%
2008		1,040,381		(81,187)		959,194		1,006,653	96.76%		(47,709)		958,944	99.97%
2009		1,239,956		(176,102)		1,063,854		1,091,671	88.04%		(28,947)		1,062,724	99.89%
2010		1,376,737		(190,292)		1,186,445		1,267,982	92.10%		(108,048)		1,159,934	97.77%
2011		1,376,995		(186,269)		1,190,726		1,145,986	83.22%		25,664		1,171,650	98.40%
2012		1,304,068		(47,652)		1,257,416		1,240,565	95.13%		14,783		1,255,348	99.84%
2013		1,387,660		(98,851)		1,288,809		1,271,025	91.59%		-		1,271,025	98.62%

Source: Chatham County Tax Commissioner and City records.

⁽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.

⁽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 Year Ended June 30,	Governmental Activities		Business-Type Activities			Total Business-Type Activities	Total Primary Government	Percentage of Personal Income ^(a)	Per Capita ^(a)
	Capital Leases	Water and Sewer Revenue Bonds	Water and Sewer Notes	Capital Leases					
2005	\$ -	\$ -	\$ 1,942,965	\$ -	\$ -	\$ 1,942,965	\$ 1,942,965	1.71%	555
2006	-	-	1,865,404	-	-	1,865,404	1,865,404	1.57%	533
2007	-	-	1,783,568	-	-	1,783,568	1,783,568	1.45%	510
2008	490,980	-	1,697,223	104,566	-	1,801,789	2,292,769	1.84%	655
2009	338,305	-	1,606,120	-	-	1,606,120	1,944,425	1.66%	432
2010	305,982	-	4,607,730	-	-	4,607,730	4,913,712	4.27%	1,092
2011	272,454	-	4,761,789	-	-	4,761,789	5,034,243	4.72%	916
2012	237,674	-	4,829,284	-	-	4,829,284	5,066,958	4.48%	923
2013	-	-	4,656,110	-	-	4,656,110	4,656,110	3.72%	766
2014	-	-	4,498,328	-	-	4,498,328	4,498,328	2.79%	750

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

^(a) These ratios are calculated using personal income and population for the prior calendar year.

City of Port Wentworth, Georgia

Ratios of Net General Bonded Debt Outstanding - Last Ten Fiscal Years

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2005	\$ -	\$ -	\$ -	0.00%	\$ -
2006	-	-	-	0.00%	-
2007	-	-	-	0.00%	-
2008	-	-	-	0.00%	-
2009	-	-	-	0.00%	-
2010	-	-	-	0.00%	-
2011	-	-	-	0.00%	-
2012	-	-	-	0.00%	-
2013	-	-	-	0.00%	-
2014	-	-	-	0.00%	-

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, 2014

	Debt Outstanding	Estimated Percentage Applicable ⁽¹⁾	Estimated Share of Overlapping Debt
Overlapping debt repaid with property taxes			
Chatham County, Georgia			
DSA Chatham County Projects Series 2005	\$ 10,238,483	2.34%	\$ 239,581
Chatham County Public Health Facilities Projects			
DSA Chatham County Projects Series 2005A	3,870,000	2.34%	92,296
Mosquito Control	3,699,106	2.34%	90,558
DSA Union Mission Series 2009	2,060,000	2.34%	48,204
DSA Union Mission Series 2011	2,680,000	2.34%	62,712
Chatham-Savannah School Board			
General Obligation Bonded Debt	47,340,000	2.34%	1,107,756
Energy Management Project	5,279,197	2.34%	123,533
Overlapping other debt			
Chatham-Savannah School Board capital leases	6,658,058	1.61%	107,195
Subtotal, overlapping debt			1,871,835
City of Port Wentworth direct debt			-
Total direct and overlapping debt			\$ 1,871,835

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. 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				
	2004	2005	2006	2007	2008
Total assessed value of taxable property	\$ 116,903,713	\$ 129,684,355	\$ 174,057,409	\$ 234,846,045	\$ 291,942,359
Less exemption for bond purposes	3,246,167	5,242,676	18,210,198	18,555,495	6,611,033
Net assessed value for bond purposes	\$ 113,657,546	\$ 124,441,679	\$ 155,847,211	\$ 216,290,550	\$ 285,331,326
Debt limit percentage	10%	10%	10%	10%	10%
Debt limit	\$ 11,365,755	\$ 12,444,168	\$ 15,584,721	\$ 21,629,055	\$ 28,533,133
Total net debt applicable to limit general obligation bonds	-	-	-	-	-
Legal debt margin	\$ 11,365,755	\$ 12,444,168	\$ 15,584,721	\$ 21,629,055	\$ 28,533,133
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

	Calendar Year				
	2009	2010	2011	2012	2013
Total assessed value of taxable property	\$ 337,711,479	\$ 367,643,758	\$ 359,471,325	\$ 353,451,079	\$ 368,312,344
Less exemption for bond purposes	7,923,608	8,376,623	7,075,664	8,166,424	7,658,146
Net assessed value for bond purposes	\$ 329,787,871	\$ 359,267,135	\$ 352,395,661	\$ 345,284,655	\$ 360,654,198
Debt limit percentage	10%	10%	10%	10%	10%
Debt limit	\$ 32,978,787	\$ 35,926,714	\$ 35,239,566	\$ 34,528,466	\$ 36,065,420
Total net debt applicable to limit general obligation bonds	-	-	-	-	-
Legal debt margin	\$ 32,978,787	\$ 35,926,714	\$ 35,239,566	\$ 34,528,466	\$ 36,065,420
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

The present constitutional limit on direct general obligation bonds for the City of Port Wentworth is the amount equivalent to 10% of the net assessed valuation of taxable property for debt service (bond) purposes.

The constitutional debt limitation applies to all general obligation bonds authorized. Additional general obligation bonds may be authorized to be issued if so approved by a majority of those voting in an election held for that purpose. The City of Port Wentworth has no general obligation bonds authorized but unissued.

Source: Consolidation and Evaluation of Digest.

City of Port Wentworth, Georgia

Demographic and Economic Statistics Last Ten Calendar Years

Year	Population in Thousands ⁽¹⁾	Personal Income ⁽²⁾	Per Capita Personal Income ⁽²⁾	Unemployment Rate ⁽³⁾
2004	3	\$ 113,900,500	32,543	3.9%
2005	3	118,520,500	33,863	4.6%
2006	3	123,172,000	35,192	4.1%
2007	3	124,404,000	35,544	4.1%
2008	4	117,315,000	26,070	5.6%
2009	4	115,141,500	25,587	8.3%
2010	5	106,727,500	19,405	9.1%
2011	5	113,014,500	20,578	9.2%
2012	6	125,089,970	20,580	9.5%
2013	6	165,151,055	25,295	8.7%

Sources:

- (1) Chamber of Commerce, Metropolitan Planning Commission and U.S. Census.
- (2) Personal income has been estimated based upon the municipal population and per capita personal income presented.
- (3) State Department of Labor.

City of Port Wentworth, Georgia

Principal Employers Current and Nine Calendar Years Ago

Employer	2013			2004		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment
Gulfstream Aerospace	8,406	1	6.00%	4,300	3	3.74%
Savannah/Chatham Co. Bd. of Education	4,808	2	3.88%	4,309	2	3.75%
Ft. Stewart/Hunter Army Airfield	4,637	3	3.81%	3,485	5	3.03%
Memorial Health University Medical Center	4,600	4	3.78%	4,934	1	4.30%
St. Joseph's/Candler Health System	3,170	5	2.60%	3,800	4	3.31%
City of Savannah	2,795	6	2.41%	2,408	6	2.10%
Savannah College of Art and Design	1,750	7	2.05%	1,200	10	1.04%
Chatham County	1,600	8	1.44%	1,600	8	1.39%
Georgia Ports Authority	988	9	1.23%	-	-	-
Armstrong Atlantic State University	602	10	0.99%	-	-	-
Savannah International Airport	-	-	-	4,500	3	3.92%
International Paper Company	-	-	-	1,800	7	1.57%
Georgia-Pacific	-	-	-	1,408	9	1.23%
	33,356		28.19%	33,744		29.38%

Sources: Savannah Area Chamber of Commerce, Georgia Department of Labor, and Savannah Economic Development Authority.

Note: This data includes employer and employee information for the Savannah Metropolitan Service Area and is reported on a calendar year.

City of Port Wentworth, Georgia

Full-time Equivalent City Employees by Function/Program Last Ten Fiscal Years

Function/Program	Full-time and Part-time City Employees as of June 30,				
	2005	2006	2007	2008	2009
General government	14	14	6	5	3
Judiciary	-	-	3	3	2
Legislative	-	-	7	7	7
Protective inspections	-	-	2	3	4
Public safety	20	21	31	32	25
Public works	10	6	8	18	8
Culture and recreation	3	2	3	2	3
Water and sewer services	2	2	2	5	6
Total	49	45	62	75	58

Function/Program	Full-time and Part-time City Employees as of June 30,				
	2010	2011	2012	2013	2014
General government	2	3	3	4	4
Judiciary	2	2	3	2	2
Legislative	7	7	7	6	6
Protective inspections	3	4	1	1	1
Public safety	32	32	31	34	30
Public works	9	7	4	2	3
Culture and recreation	3	3	3	3	3
Water and sewer services	7	7	7	7	11
Total	65	65	59	59	60

City of Port Wentworth, Georgia

Operating Indicators by Function Last Ten Fiscal Years

Fiscal Year					
	2005	2006	2007	2008	2009
Police					
Arrests	960	994	1,035	1,108	994
Fire					
Number of emergency calls	Unavailable	Unavailable	891	954	235
Inspections	Unavailable	Unavailable	212	314	247
Public works					
Street resurfacing (miles)	1	1	1	1	1
Parks and recreation					
Number of facility rentals	220	232	191	180	250
Water					
New connections	163	201	312	368	392
Average daily water use (thousands of gallons)	281	311	343	308	310
Sewer					
New connections	163	201	312	368	392
Average daily sewage treatment (thousands of gallons)	N/A	N/A	N/A	N/A	N/A
Fiscal Year					
	2010	2011	2012	2013	2014
Police					
Arrests	1,023	1,093	1,063	1,261	1,282
Fire					
Number of emergency calls	573	833	812	994	1,084
Inspections	370	284	245	246	248
Public works					
Street resurfacing (miles)	1	< 1	< 1	1	2
Parks and recreation					
Number of facility rentals	327	223	296	346	335
Water					
New connections	585	612	389	418	1,088
Average daily water use (thousands of gallons)	322	387	353	444	388
Sewer					
New connections	585	612	389	418	1,088
Average daily sewage treatment (thousands of gallons)	N/A	N/A	458	600	5,500

Sources: City Records.

Unavailable - This information is not available. Prior to June 2006, the City did not employ fire personnel.

N/A - not applicable. The City's wastewater is treated by a contractor.

City of Port Wentworth, Georgia

Capital Asset Statistics by Function Last Ten Fiscal Years

	Fiscal Year				
	2005	2006	2007	2008	2009
Police					
Stations	1	1	1	1	1
Fire					
Stations	2	2	2	2	2
Public works					
Streets (miles)	44	44	44	44	46
Streetlights	289	349	362	362	384
Traffic signals	9	9	9	9	8
Parks and recreation					
Parks	3	3	3	4	4
Community centers	1	1	1	3	4
Water					
Water mains (miles)	32	34	39	39	41
Maximum daily capacity (thousands of gallons)	2,600	2,600	2,600	2,600	2,600
Sewer					
Sanitary sewers (miles)	32	34	39	39	41
Maximum daily treatment capacity (thousands of gallons)	N/A	N/A	N/A	N/A	N/A
	Fiscal Year				
	2010	2011	2012	2013	2014
Police					
Stations	1	1	1	1	1
Fire					
Stations	2	2	2	2	2
Public works					
Streets (miles)	46	51	51	51	52
Streetlights	384	886	886	886	886
Traffic signals	8	10	10	10	10
Parks and recreation					
Parks	4	5	5	5	5
Community centers	4	4	4	4	4
Water					
Water mains (miles)	41	45	46	46	51
Maximum daily capacity (thousands of gallons)	2,600	2,600	2,600	2,600	3,100
Sewer					
Sanitary sewers (miles)	41	45	46	46	51
Maximum daily treatment capacity (thousands of gallons)	N/A	N/A	4	4	4

Sources: City Records and Georgia Department of Transportation, Office of Transportation.

N/A - not applicable. The City's wastewater is treated by a contractor.





**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**

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the remaining fund information of City of Port Wentworth, Georgia, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated October 29, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Port Wentworth, Georgia's internal control over financial reporting (internal control) to determine the 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 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Port Wentworth, Georgia'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

KRT, CPAs P.C.

KRT, CPAs P.C.

Savannah, Georgia
October 29, 2014

