



**CITY OF PORT WENTWORTH**

**Georgia**

**ANNUAL  
COMPREHENSIVE  
FINANCIAL REPORT**

Fiscal Year Ended June 30, 2021

**Prepared by: City Finance Department**



# City of Port Wentworth, Georgia

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# Introductory Section







## CITY OF PORT WENTWORTH

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Port Wentworth, Georgia 31407  
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Fax|(912) 966-7429 (f)  
[www.cityofportwentworth.com](http://www.cityofportwentworth.com)

MAYOR  
Gary Norton

COUNCIL MEMBERS  
Linda Smith  
Thomas Barbee  
Gabrielle Nelson  
Mark Stephens  
Lynwood Griner  
Glenn Jones

CITY MANAGER  
Edwin Booth

December 22, 2021

To the Honorable Mayor, Members of Council and Citizens of the City of Port Wentworth:

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, 2021.

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 anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Mauldin & Jenkins, LLC, Certified Public Accountants, has issued an unmodified ("clean") opinion on the City of Port Wentworth's financial statements for the year ended June 30, 2021. 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 auditors' 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 Government***

The City of Port Wentworth, incorporated in 1957, is located in the eastern part of the state, which is considered to be one of the top growth areas in both the state and the country. It currently occupies 15.6 square miles with a population of 10,878 as listed by Georgia cities. The City of Port Wentworth is empowered to levy a property tax on real property located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

The City of Port Wentworth operates under the mayor-council form of government. Policy-making and legislative authority are vested in the governing council consisting of the mayor and six other members from four districts and two at-large. Council Members serve four-year terms, with three members elected every two years. The Mayor is elected for a four-year term. The Mayor and Council appoint the City of Port Wentworth's City Manager and Clerk of Council. The City Manager appoints department heads.

The City of Port Wentworth provides a full range of services, including police and fire protection; refuse collection; building inspections; licenses and permits; street maintenance; recreational activities; and water and sewer 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 Mayor and Council are required to adopt an initial budget for the fiscal year no later than June 30 preceding the beginning of the fiscal year on July 1. This annual budget serves as the foundation for the City of Port Wentworth's financial planning and control. The budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department Heads may transfer resources within a department as they see fit. Transfers between departments, personal services and capital outlays, however, need approval from the City Manager. Any changes to the approved budget that exceed the original budget will require approval of the Governing Council.

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

The local economy shows continued improvement. Sales tax revenue has increased and the tax digest has grown. The City's tourism industry continues to benefit from our proximity to Savannah. Hotel/motel tax revenue experienced an increase in the current year of approximately 25% as travel levels have begun to return to levels prior to the initial year of the COVID-19 pandemic. There has been steady growth in single family residential permits and development of multifamily units in the City. As the population has increased, the City has seen development in retail and expects this trend to continue. The median household income has risen to \$79,327 which is almost a 77% increase since 2000. The average household size in Port Wentworth is increasing as young families are choosing Port Wentworth to live and raise families. The Savannah area enjoys a relatively low unemployment rate as of June 30, 2021 at 4.5%, down from 8.6% during the initial year of the COVID-19 pandemic.

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

The most common employment sectors for Port Wentworth residents are public administration (22.9%), accommodation and food service (12.2%), transportation and warehousing (11.9%).

Approximately 39% of employed residents are in management and professional related occupations; 27% are in service occupations; 13% are in sales and office occupations; 7% are in natural resources, construction, and maintenance occupations; and 14% are in production, transportation and material moving occupations.

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

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

The City continues to maintain a relatively low property tax rate, 4.160 mills for the fiscal year ended June 30, 2021, and high homestead exemption of \$40,000. This positions the City well against other localities.

The City began the design of a new administrative facility which will house Police, Development Services, Chamber of Commerce, and a Fire Station during fiscal years 2020-2021. Construction of the facility is anticipated to follow beginning with year 2022. Planning has begun for the design and construction of a Veterans Park to be completed in fiscal years 2022 and 2023 and the construction of a large Recreation Park in fiscal years 2022 through 2026.

During the year ended June 30, 2021, the City completed several major projects including improvement of the Keller Roadway, further development of the turnkey fiber network infrastructure and the completion of the rehabilitation project of Phillips Avenue and tide gate at Mobley Park. The City also completed the configuration of the new mobile command center that was purchased in fiscal year 2019 and the second-floor improvements to City Hall. The improvements included a new Council meeting room with live streaming capabilities for all meetings.



***Relevant Financial Policies***

The City of Port Wentworth's policy to adopt a balanced budget and conservative financial planning has allowed the City to maintain an unassigned General Fund balance of \$14,727,347 and a total General Fund balance of \$16,427,419. Unassigned fund balance represents approximately 128% of total General Fund expenditures and total fund balance represents 143% of expenditures.

***Awards and Acknowledgements***

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Port Wentworth for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2020. This was the nineteenth consecutive year that the government achieved this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized ACFR that satisfied both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. However, we believe that our current ACFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

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

Sincerely,

A handwritten signature in dark ink, appearing to read 'Edwin L. Booth'.

Edwin L. Booth  
City Manager



# City of Port Wentworth, Georgia

## List of Principal Officials

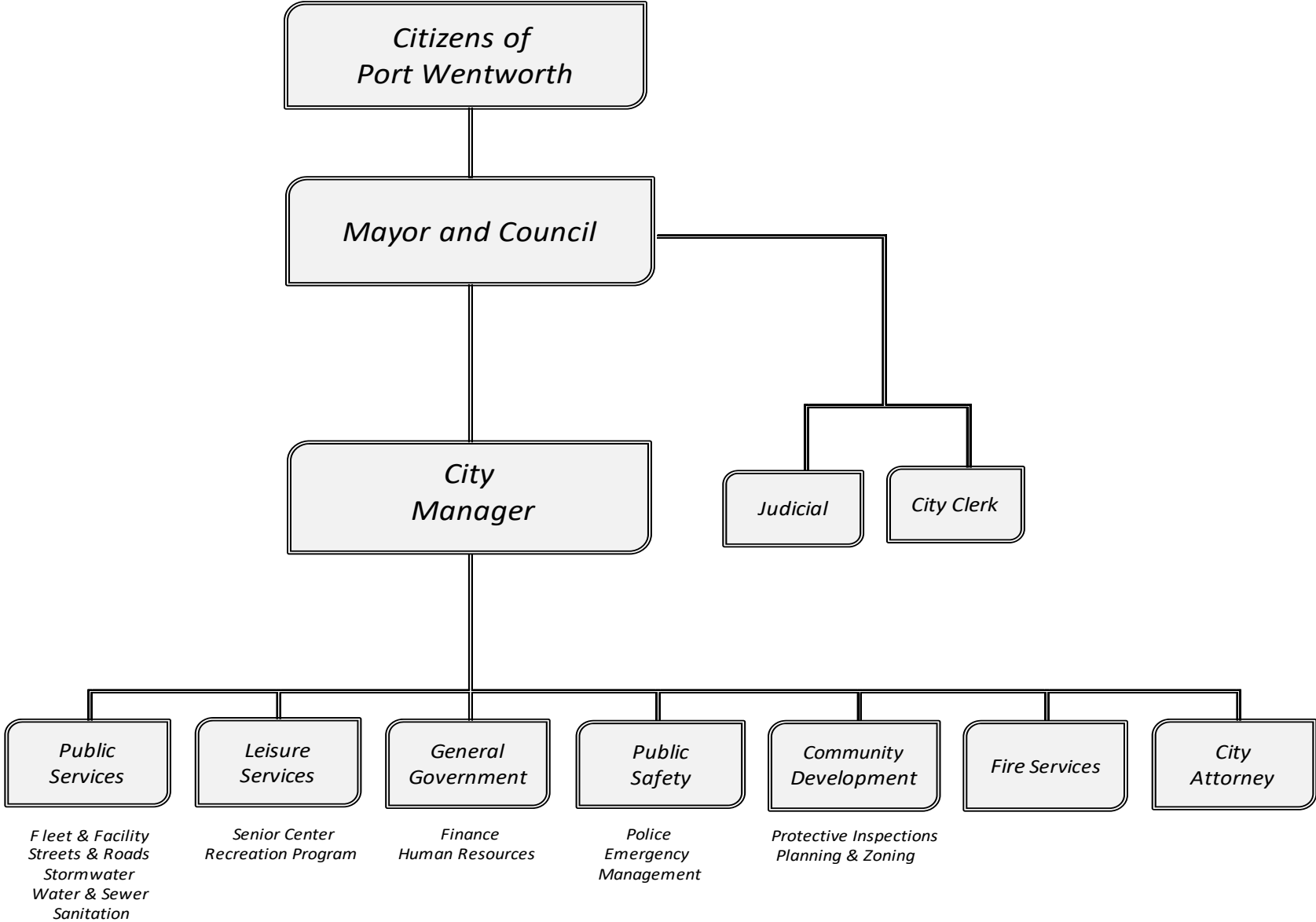
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Mayor	Gary Norton
Mayor Pro-Tem Appointed by Council	Linda Smith
City Manager	Edwin L. Booth
City Attorney	James L. Coursey, Jr.
Clerk of Council	Shanta Scarboro
Director of Operations	Shanta Scarboro
Director of Public Safety	Matthew Libby
Director of Development Services	Brian Harvey
Director of Leisure Services	Tiffany Lancaster
Director of Wastewater Treatment	ClearWater Solutions (Contractor)

### City Council Members

Mayor Pro-Tem Appointed by Council	Linda Smith
Council Member At Large	Thomas Barbee
Council Member At Large	Linda Smith
Council Member, District 1	Gabrielle Nelson
Council Member, District 2	Mark Stephens
Council Member, District 3	Lynwood Griner
Council Member, District 4	Glenn Jones

City of Port Wentworth  
Organizational Chart





Government Finance Officers Association

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

Presented to

**City of Port Wentworth  
Georgia**

For its Annual Comprehensive  
Financial Report  
for the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO



# Financial Section







## INDEPENDENT AUDITOR'S REPORT

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**To the Honorable Mayor  
and Members of the City Council  
City of 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 aggregate remaining fund information of the **City of Port Wentworth, Georgia** (the "City"), as of and for the year ended June 30, 2021, 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.

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### ***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 aggregate remaining fund information of the City as of June 30, 2021, 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.

### ***Emphasis of Matter***

As discussed in Note II-N, the City implemented Governmental Accounting Standards Board ("GASB") Statement No. 84, *Fiduciary Activities*, as of July 1, 2020. This standard significantly changed the accounting for the City's fiduciary activities. Our opinions are not modified with respect to this matter.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages C-1 through C-8), the Budgetary Comparison Schedule – General Fund (on page E-1), the Budgetary Comparison Schedule – Hotel/Motel Fund (on page E-3), the Notes to the Required Supplementary Information (on page E-4), the Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios (on page E-5), and the Schedule of Contributions (on page E-6), 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's basic financial statements. The introductory section, Budgetary Comparison Schedule – Nonmajor Governmental Fund, the Schedule of Required Expenditures Funded by the Hotel/Motel Tax, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City. The accompanying Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds is presented for purposes of additional analysis as required by the Official Code of Georgia Annotated ("O.C.G.A.") §48-8-121, and is not a required part of the basic financial statements.

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The Budgetary Comparison Schedule – Nonmajor Governmental Fund, the Schedule of Required Expenditures Funded by the Hotel/Motel Tax, and the Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds are the responsibility of management and were derived from and relate 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 – Nonmajor Governmental Fund, the Schedule of Required Expenditures Funded by the Hotel/Motel Tax, and the Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds, are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have 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 them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Savannah, Georgia  
December 22, 2021



# City of Port Wentworth, Georgia

## Management's Discussion and Analysis

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As management of the City of Port Wentworth (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages A-1 – A-3 of this report.

### Financial Highlights

- The assets of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$68,859,528 (*net position*). Of this amount, \$29,066,222 represents unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$20,164,004, an increase of \$1,832,661 in comparison with the prior year. Approximately 73% of this amount, \$14,727,347, is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the General Fund was \$16,366,801.

### Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

**Government-wide Financial Statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference 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 for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused personal time off).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, judiciary, public safety (police and fire), public works (streets and roads, storm water and sanitation), culture and recreation, and housing and development. The business-type activities of the City include water, sewer and wastewater treatment.

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

# City of Port Wentworth, Georgia

## Management's Discussion and Analysis

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

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

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

The City maintains four individual governmental funds. Information is presently separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Capital Projects Fund, and Hotel/Motel Tax Fund, which are considered to be major funds. Data from the other governmental fund, Confiscated Assets Fund, is considered a nonmajor governmental fund and is provided in the supplementary data found on page F-1.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. This comparison statement can be found on page E-1.

The basic governmental fund financial statements can be found on pages D-4 – D-7.

**Proprietary Fund.** The City maintains one type of proprietary fund, an enterprise fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses the Water and Sewer Enterprise Fund to account for its water, sewer and wastewater treatment operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages D-8 – D-11.

**Notes to the Financial Statements.** The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages D-12 – D-32.

# City of Port Wentworth, Georgia

## Management's Discussion and Analysis

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees. The schedules related to net pension liability can be found on pages E-5 – E-6.

### Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$68,859,528, at the close of the most recent fiscal year.

### City of Port Wentworth's Net Position

	Governmental activities		Business-type activities		Total	
	2021	2020 Restated	2021	2020	2021	2020 Restated
<b>Assets</b>						
Current and other assets	\$ 22,606,794	\$ 20,167,828	\$ 13,093,321	\$ 12,527,838	\$ 35,700,115	\$ 32,695,666
Capital assets, net	19,128,927	18,666,670	24,677,655	25,044,822	43,806,582	43,711,492
<b>Total assets</b>	<b>41,735,721</b>	<b>38,834,498</b>	<b>37,770,976</b>	<b>37,572,660</b>	<b>79,506,697</b>	<b>76,407,158</b>
<b>Deferred outflows of resources</b>						
Pension related	497,020	381,577	4,869	10,628	501,889	392,205
<b>Liabilities</b>						
Current liabilities	2,591,617	1,932,172	1,123,022	1,186,071	3,714,639	3,118,243
Long-term liabilities	2,856,902	3,204,594	4,469,417	4,615,593	7,326,319	7,820,187
<b>Total liabilities</b>	<b>5,448,519</b>	<b>5,136,766</b>	<b>5,592,439</b>	<b>5,801,664</b>	<b>11,040,958</b>	<b>10,938,430</b>
<b>Deferred inflows of resources</b>						
Pension related	107,051	126,399	1,049	3,520	108,100	129,919
<b>Net position</b>						
Net investment in capital assets	15,994,864	15,111,230	20,061,857	20,274,557	36,056,721	35,385,787
Restricted	3,736,585	2,551,493	-	-	3,736,585	2,551,493
Unrestricted	16,945,722	16,290,187	12,120,500	11,503,547	29,066,222	27,793,734
<b>Total net position</b>	<b>\$ 36,677,171</b>	<b>\$ 33,952,910</b>	<b>\$ 32,182,357</b>	<b>\$ 31,778,104</b>	<b>\$ 68,859,528</b>	<b>\$ 65,731,014</b>

By far, the largest portion of the City's net position (52%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

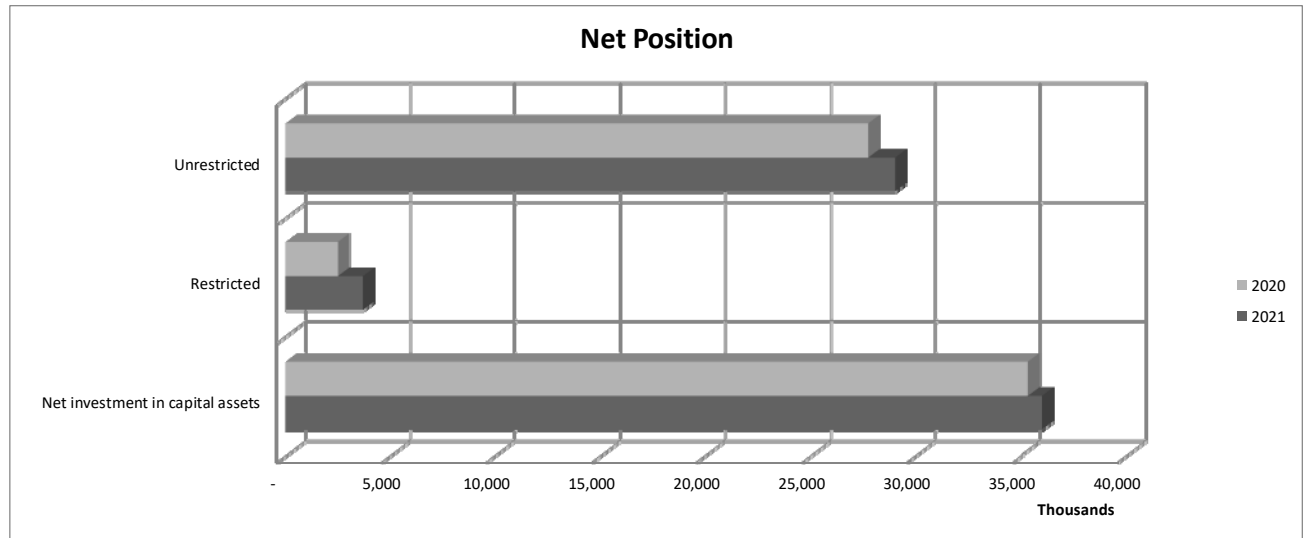
An additional portion of the City's net position (5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$29,066,222 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the City was able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

# City of Port Wentworth, Georgia

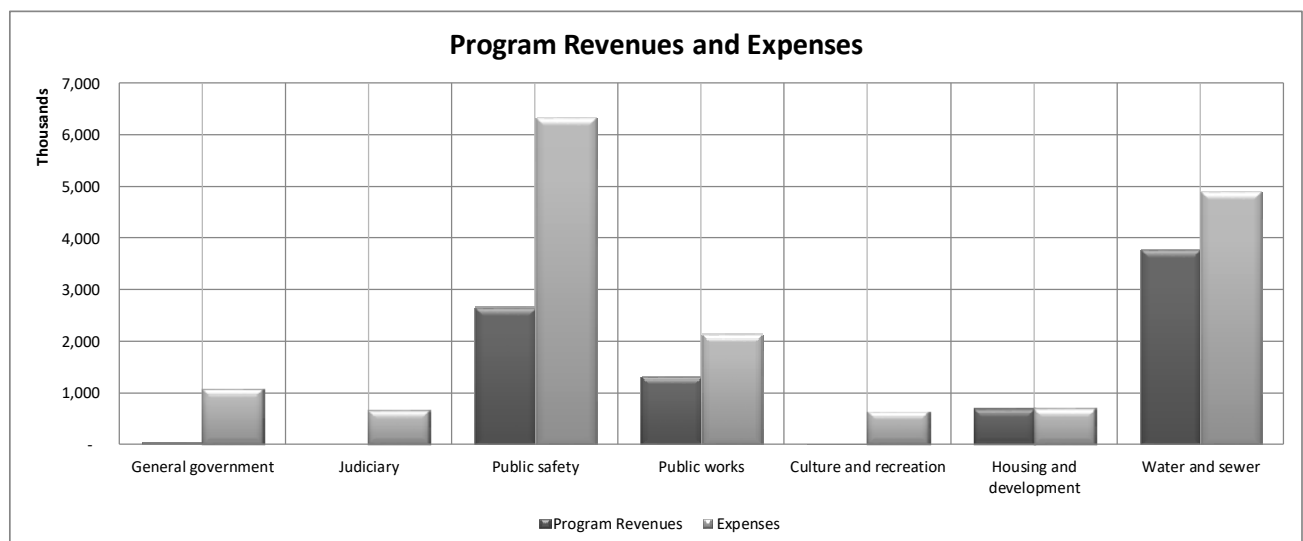
## Management's Discussion and Analysis

The City's overall net position increased from the prior fiscal year. The reasons for this overall change are discussed in the following sections for governmental activities and business-type activities.



**Governmental Activities.** During the current fiscal year, net position for the governmental activities increased \$2,724,261 from the prior year for an ending balance of \$36,677,171. The positive change in net position was a direct result of growth in tax, population, and business.

**Business-type Activities.** For the City's business-type activities, the change in net position of \$404,253 was an overall increase with revenues outpacing expenses. Although there was not a change to the rate structure in the fiscal year, there was increased usage due to the City's growth. This usage led to an increase in the water department's water and sewer charges of \$174,227. The change in net position also had the effect of an increase of aid to construction collections of \$79,830 and an increased maintenance of the water department. In addition, there were no transfers-in from other funds in fiscal year 2021.





# City of Port Wentworth, Georgia

## Management's Discussion and Analysis

### City of Port Wentworth's Change in Net Position

	Governmental activities		Business-type activities		Total	
	2021	2020 Restated	2021	2020	2021	2020 Restated
<b>Revenues:</b>						
Program revenues						
Charges for services	\$ 4,728,104	\$ 3,926,447	\$ 3,788,815	\$ 3,575,193	\$ 8,516,919	\$ 7,501,640
Operating grants and contributions	504,804	92,324	-	-	504,804	92,324
Capital grants and contributions	1,951,516	932,199	1,396,950	1,315,222	3,348,466	2,247,421
General revenues						
Property taxes	3,137,620	2,970,095	-	-	3,137,620	2,970,095
Sales taxes	2,216,865	1,905,373	-	-	2,216,865	1,905,373
Selective sales and use taxes	1,121,841	924,531	-	-	1,121,841	924,531
Business taxes	597,958	543,057	-	-	597,958	543,057
Unrestricted investment earnings	14,368	120,464	10,770	34,849	25,138	155,313
Gain on disposition of capital assets	71,417	15,350	-	-	71,417	15,350
Miscellaneous	17,877	19,896	110,877	116,912	128,754	136,808
<b>Total revenues</b>	<b>14,362,370</b>	<b>11,449,736</b>	<b>5,307,412</b>	<b>5,042,176</b>	<b>19,669,782</b>	<b>16,491,912</b>
<b>Expenses:</b>						
General government	1,062,812	1,167,153	-	-	1,062,812	1,167,153
Judiciary	669,141	202,130	-	-	669,141	202,130
Public safety	6,338,718	5,617,234	-	-	6,338,718	5,617,234
Public works	2,150,734	1,802,457	-	-	2,150,734	1,802,457
Culture and recreation	637,904	653,378	-	-	637,904	653,378
Housing and development	707,955	725,738	-	-	707,955	725,738
Interest	70,845	77,721	133,606	138,010	204,451	215,731
Water and sewer	-	-	4,769,553	4,778,778	4,769,553	4,778,778
<b>Total expenses</b>	<b>11,638,109</b>	<b>10,245,811</b>	<b>4,903,159</b>	<b>4,916,788</b>	<b>16,541,268</b>	<b>15,162,599</b>
Increase in net position	2,724,261	1,203,925	404,253	125,388	3,128,514	1,329,313
Net position, beginning, restated	33,952,910	32,748,985	31,778,104	31,652,716	65,731,014	64,401,701
<b>Net position, ending</b>	<b>\$ 36,677,171</b>	<b>\$ 33,952,910</b>	<b>\$ 32,182,357</b>	<b>\$ 31,778,104</b>	<b>\$ 68,859,528</b>	<b>\$ 65,731,014</b>

### Financial Analysis of Governmental Funds

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

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

# City of Port Wentworth, Georgia

## Management's Discussion and Analysis

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At June 30, 2021, the City's governmental funds reported combined fund balances of \$20,164,004, an increase of \$1,832,661 in comparison with the prior year. Approximately, 73% of this amount, \$14,727,347, constituted *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance was either *nonspendable*, *restricted*, *committed*, or *assigned* to indicate that it is 1) not in spendable form \$60,618, 2) legally required to be maintained intact (none), 3) restricted for particular purposes \$3,736,585, 4) committed for particular purposes (none), or 5) assigned for particular purposes \$1,639,454.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$14,727,347, while total fund balance increased to \$16,427,419. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represented approximately 128% of total General Fund expenditures, while total fund balance represented approximately 143% of that same amount.

The fund balance of the City's General Fund increased by \$647,569 during the current fiscal year. Increased transfers-in from Hotel Motel Tax Fund and an increase in tax collections accounted for most of the net increase in fund balance. The fund balance of the Hotel Motel Tax Fund increased by \$192,578 as a result in the end of a tourism expenditure contract.

The Capital Projects Fund, a major fund, had a \$992,394 increase in fund balance during the current fiscal year resulting in an ending restricted fund balance of \$3,539,060. The restriction to fund balance was due to the spending constraints placed on uses of SPLOST revenues. The increase in fund balance resulted from SPLOST revenues exceeding SPLOST capital outlays. Major projects incurred in the Capital Projects Fund included drainage improvements, vehicle purchases, and consulting related to a future recreational facility.

**Proprietary Funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water and Sewer Enterprise Fund at the end of the year was \$12,120,500 and net position for net investment in capital assets was \$20,061,857. As of June 30, 2021, the Water and Sewer Enterprise Fund's net position had increased by \$404,253. As noted earlier, there was not a change to the rate structure in the fiscal year. The City's growth increased the water and sewer usage charges revenue by \$213,622. Also, the positive net position was impacted by the effect of an increase in aid to construction revenue and increased fund maintenance. Investment income decreased from amounts earned in the prior year.

### Capital Assets and Debt Administration

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities as of June 30, 2021, totaled \$43,806,582 (net of accumulated depreciation). This investment in capital assets included land, buildings, machinery, equipment, vehicles, park facilities, streets and roads, infrastructures, and the wastewater treatment plant. The total net increase in capital assets for the current fiscal year was approximately \$95,000 (net of accumulated depreciation).

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

- Furniture for Council Chambers at City Hall
- Street and road improvements
- Turnkey fiber network improvements
- Police fire vehicle and equipment purchases

Additional information on the City's capital assets can be found in Note IIC on pages D-21 – D-23.

# City of Port Wentworth, Georgia

## Management's Discussion and Analysis

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**Long-term Debt.** At the end of the current fiscal year, the City had total debt outstanding of \$7,749,861. The changes in long-term debt were due to \$575,844 of debt retirement on existing debt. Additional information on the City's long-term debt can be found in Note IIG on pages D-28 – D-30.

### General Fund Budgetary Highlights

**Original budget compared to final budget.** The overall operations of the City are similar to directing a large multi-million dollar business. Budget amendments are approved throughout the year to more accurately reflect the ongoing changes and to abide by state laws. The original budget was adopted on June 25, 2020, for the fiscal year ended June 30, 2021.

During the year, there were no supplemental appropriation increases or decreases between the original and final amended budget.

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

**Final budget compared to actual results.** Total revenues exceeded final budgeted amounts by approximately \$1,060,000. The largest variance was due to intergovernmental revenues which exceeded expectations by about \$463,000. Intergovernmental revenues were budgeted based on actual revenues earned in the prior year; but, due to the COVID-19 pandemic, CARES Act funding authorized by the U.S. Department of Treasury of approximately \$505,000 resulted in actual grants exceeding the budgeted amounts.

Actual departmental expenditures compared to the appropriations in the final budget were \$172,514 under budget. Highways and Streets and Recreation had the most favorable variance between appropriations and actual expenditures, especially since personal services and benefits, capital outlay, vehicle operation costs, and repair and maintenance costs were lower than expected. Municipal Court had a negative variance due to the implementation of GASB No. 84.

### Economic Factors and Next Year's Budgets and Rates

**General Fund.** The City has adopted a General Fund budget of \$11,811,949 for the fiscal year ending June 30, 2022. The budget was based on the following expectations:

- Property taxes and local option sales tax are expected to be the largest sources of operating revenue budgeted at \$2,162,749 and \$2,135,000, respectively.
- Property taxes are expected to increase as City population continues to grow. Projected tax revenue is based on growth.
- \$1,114,953 from unassigned fund balance will be used in fiscal year ending June 30, 2022, to fund major road repairs, other capital projects, and economic development initiatives.

# City of Port Wentworth, Georgia

## Management's Discussion and Analysis

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**Water and Sewer Enterprise Fund.** Although not required to budget enterprise fund activity, the City also adopted a \$5,477,766 Water and Sewer Enterprise Fund budget. Charges for services are the largest sources of revenue for the fund. With 20% growth in the tax digest and new service connections, revenues are anticipated to increase slightly.

The budget included the following expenditure expectations:

- Debt service for GEFA and USDA loans is expected to be about \$276,027 and a principal reduction payment of \$1,000,000.
- The City has contracted a third-party company to manage, operate and maintain the City's water, wastewater and public services and sewer lift stations for fiscal year 2022 with an estimated cost of approximately \$2,200,000.
- Improvements to infrastructures will be funded by the SPLOST fund and Local Fiscal Relief Recovery Funds.

### 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 Manager, 7224 GA Highway 21, Port Wentworth, Georgia 31407.

# Basic Financial Statements





# Government-wide Financial Statements







# City of Port Wentworth, Georgia

## Statement of Net Position

June 30, 2021

	Governmental Activities	Business- Type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 21,072,536	\$ 11,922,325	\$ 32,994,861
Receivables	1,347,404	439,987	1,787,391
Internal balances	8,329	(8,329)	-
Prepaid items	60,618	95	60,713
Restricted assets			
Cash and investments	117,907	739,243	857,150
Capital assets			
Land, improvements, and construction in progress	1,941,530	240,232	2,181,762
Other capital assets, net of depreciation	17,187,397	24,437,423	41,624,820
Total assets	41,735,721	37,770,976	79,506,697
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related	497,020	4,869	501,889
<b>LIABILITIES</b>			
Accounts payable	1,158,590	197,372	1,355,962
Other accrued liabilities	132,439	38,556	170,995
Unearned revenue	712,970	-	712,970
Customer deposits	52,110	739,243	791,353
Net pension liability, due in more than one year	43,863	430	44,293
Long-term liabilities			
Due within one year	535,508	147,851	683,359
Due in more than one year	2,813,039	4,468,987	7,282,026
Total liabilities	5,448,519	5,592,439	11,040,958
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related	107,051	1,049	108,100
<b>NET POSITION</b>			
Net investment in capital assets	15,994,864	20,061,857	36,056,721
Restricted for:			
Capital projects	3,539,060	-	3,539,060
Confiscated assets	4,947	-	4,947
Hotel Motel	192,578	-	192,578
Unrestricted	16,945,722	12,120,500	29,066,222
Total net position	\$ 36,677,171	\$ 32,182,357	\$ 68,859,528

# City of Port Wentworth, Georgia

## Statement of Activities Year ended June 30, 2021

		Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
	Expenses			
<b>FUNCTIONS/PROGRAMS</b>				
Governmental activities				
General government	\$ 1,062,812	\$ 48,125	\$ -	\$ -
Judiciary	669,141	-	-	-
Public safety	6,338,718	2,665,947	504,804	-
Public works	2,150,734	1,323,327	-	1,951,516
Culture and recreation	637,904	8,489	-	-
Housing and development	707,955	682,216	-	-
Interest	70,845	-	-	-
Total governmental activities	11,638,109	4,728,104	504,804	1,951,516
Business-type activity				
Water and sewer	4,903,159	3,788,815	-	1,396,950
Total	\$ 16,541,268	\$ 8,516,919	\$ 504,804	\$ 3,348,466

### GENERAL REVENUES

#### Taxes

Property taxes, levied for general purposes

Sales taxes for general purposes

Selective sales and use taxes

Business taxes

Unrestricted investment earnings

Gain on disposition of capital assets

Miscellaneous

Total general revenues

Change in net position

Net position, beginning, restated

Net position, ending

# City of Port Wentworth, Georgia

## Statement of Activities Year ended June 30, 2021

<b>Net (Expense) Revenue and Changes in Net Position</b>		
<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>
\$ (1,014,687)	\$ -	\$ (1,014,687)
(669,141)	-	(669,141)
(3,167,967)	-	(3,167,967)
1,124,109	-	1,124,109
(629,415)	-	(629,415)
(25,739)	-	(25,739)
(70,845)	-	(70,845)
<u>(4,453,685)</u>	<u>-</u>	<u>(4,453,685)</u>
-	282,606	282,606
<u>(4,453,685)</u>	<u>282,606</u>	<u>(4,171,079)</u>
3,137,620	-	3,137,620
2,216,865	-	2,216,865
1,121,841	-	1,121,841
597,958	-	597,958
14,368	10,770	25,138
71,417	-	71,417
17,877	110,877	128,754
<u>7,177,946</u>	<u>121,647</u>	<u>7,299,593</u>
2,724,261	404,253	3,128,514
<u>33,952,910</u>	<u>31,778,104</u>	<u>65,731,014</u>
\$ <u>36,677,171</u>	\$ <u>32,182,357</u>	\$ <u>68,859,528</u>



# Fund Financial Statements





# City of Port Wentworth, Georgia

## Balance Sheets Governmental Funds June 30, 2021

	General	Capital Projects	Hotel/Motel Tax Fund	Nonmajor Governmental Fund	Total Government Funds
<b>ASSETS</b>					
Cash and investments	\$ 16,995,381	\$ 3,842,191	\$ 234,964	\$ -	\$ 21,072,536
Receivables, net	1,048,337	175,461	123,606	-	1,347,404
Due from other funds	134,438	-	-	-	134,438
Prepaid items	60,618	-	-	-	60,618
Restricted cash and investments	112,960	-	-	4,947	117,907
Total assets	<u>\$ 18,351,734</u>	<u>\$ 4,017,652</u>	<u>\$ 358,570</u>	<u>\$ 4,947</u>	<u>\$ 22,732,903</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities					
Accounts payable	\$ 640,115	\$ 478,592	\$ 39,883	\$ -	\$ 1,158,590
Other accrued liabilities	132,439	-	-	-	132,439
Due to other funds	-	-	126,109	-	126,109
Customer deposits	52,110	-	-	-	52,110
Unearned revenue	712,970	-	-	-	712,970
Total liabilities	<u>1,537,634</u>	<u>478,592</u>	<u>165,992</u>	<u>-</u>	<u>2,182,218</u>
Deferred inflows of resources					
Unavailable revenue	<u>386,681</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>386,681</u>
Total deferred inflows of resources	<u>386,681</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>386,681</u>
Fund balances					
Nonspendable prepaid items	60,618	-	-	-	60,618
Restricted					
Capital projects funds	-	3,539,060	-	-	3,539,060
Confiscated assets funds	-	-	-	4,947	4,947
Hotel Motel funds			192,578		192,578
Assigned					
Capital asset replacement	524,501	-	-	-	524,501
Subsequent year's budget	1,114,953	-	-	-	1,114,953
Unassigned	<u>14,727,347</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,727,347</u>
Total fund balances	<u>16,427,419</u>	<u>3,539,060</u>	<u>192,578</u>	<u>4,947</u>	<u>20,164,004</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 18,351,734</u>	<u>\$ 4,017,652</u>	<u>\$ 358,570</u>	<u>\$ 4,947</u>	<u>\$ 22,732,903</u>

**City of Port Wentworth, Georgia**  
**Reconciliation of Total Governmental Fund Balances**  
**To Net Position of Governmental Activities**  
**June 30, 2021**

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*Amounts reported for governmental activities on the statement of net position differ from the amounts reported on the balance sheets for governmental funds because:*

Total fund balances for governmental funds	\$ 20,164,004
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 \$11,602,653)	19,128,927
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	386,681
The net pension liability is not an available resource and, therefore, is not reported in the funds.	(43,863)
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 Capital leases and long-term loans	(214,484) (3,134,063)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds: Deferred outflows related to pensions Deferred inflows related to pensions	497,020 (107,051)
Net position of governmental activities	\$ <u>36,677,171</u>



**City of Port Wentworth, Georgia**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**Year ended June 30, 2021**

	<b>General</b>	<b>Capital Projects</b>	<b>Hotel/ Motel Tax Fund</b>	<b>Nonmajor Governmental Fund</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>					
Taxes	\$ 6,282,235	\$ -	\$ 791,601	\$ -	\$ 7,073,836
Licenses and permits	537,048	-	-	-	537,048
Intergovernmental	627,725	1,825,784	-	-	2,453,509
Charges for services	2,072,608	-	-	-	2,072,608
Fines and forfeitures	2,118,448	-	-	120	2,118,568
Investment income	14,360	2,691	8	-	17,059
Miscellaneous	16,844	-	-	-	16,844
Total revenues	<u>11,669,268</u>	<u>1,828,475</u>	<u>791,609</u>	<u>120</u>	<u>14,289,472</u>
<b>EXPENDITURES</b>					
Current					
General government	1,116,827	-	-	-	1,116,827
Judiciary	663,611	-	-	-	663,611
Public safety	6,305,250	-	-	-	6,305,250
Public works	1,640,162	-	-	-	1,640,162
Culture and recreation	549,511	-	-	-	549,511
Housing and development	720,003	-	-	-	720,003
Intergovernmental assistance	-	-	196,763	-	196,763
Capital outlay	-	836,081	-	-	836,081
Debt service					
Principal	421,377	-	-	-	421,377
Interest	93,493	-	-	-	93,493
Total expenditures	<u>11,510,234</u>	<u>836,081</u>	<u>196,763</u>	<u>-</u>	<u>12,543,078</u>
Excess of revenues over expenditures	159,034	992,394	594,846	120	1,746,394
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	402,268	-	-	-	402,268
Transfers out	-	-	(402,268)	-	(402,268)
Sale of capital assets	85,234	-	-	-	85,234
Insurance recoveries	1,033	-	-	-	1,033
Long term issuance of debt	-	-	-	-	-
Total other financing sources (uses)	<u>488,535</u>	<u>-</u>	<u>(402,268)</u>	<u>-</u>	<u>86,267</u>
Net change in fund balances	647,569	992,394	192,578	120	1,832,661
Fund balances, beginning of year, restated	<u>15,779,850</u>	<u>2,546,666</u>	<u>-</u>	<u>4,827</u>	<u>18,331,343</u>
Fund balances, end of year	<u>\$ 16,427,419</u>	<u>\$ 3,539,060</u>	<u>\$ 192,578</u>	<u>\$ 4,947</u>	<u>\$ 20,164,004</u>

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, 2021

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

Net change in fund balance – total governmental funds	\$	1,832,661
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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. This is the amount by which capital outlays exceeded  
depreciation in the current period.

Capital assets reported as capital outlay in governmental funds	\$	1,909,312	
Depreciation expense reported in the statement of activities		(1,433,238)	476,074

The effect of miscellaneous transactions involving capital assets and  
debt:

Capital lease payments	191,985
Long term debt payments	229,392
Sale of capital assets	(13,817)

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	448
----------------	-----

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	(25,364)
--------------------------------	----------

Governmental funds report pension contributions as expenditures.  
However, in the statement of activities, the cost of pension  
benefits earned net of employee contributions is reported as  
pension expense.

Pension expense	32,882
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Change in net position – statement of activities	\$	2,724,261
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# City of Port Wentworth, Georgia

## Water and Sewer Enterprise Fund

### Statement of Net Position

June 30, 2021

<b>ASSETS</b>		
Current assets		
Cash and investments	\$	11,922,325
Accounts receivable, net		439,987
Prepaid items		95
Restricted cash and investments		739,243
Total current assets		13,101,650
Capital assets		
Land, improvements, and construction in progress		240,232
Other capital assets, net of depreciation		24,437,423
Total capital assets		24,677,655
Total assets		37,779,305
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension related		4,869
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable		197,372
Accrued expenses		38,556
Due to other funds		8,329
Customer deposits		739,243
Compensated absences		1,040
Notes, loans, and capital leases payable		146,811
Total current liabilities		1,131,351
Non-current liabilities		
Net pension liability		430
Notes, loans, and capital leases payable		4,468,987
Total non-current liabilities		4,469,417
Total liabilities		5,600,768
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension related		1,049
<b>NET POSITION</b>		
Net investment in capital assets		20,061,857
Unrestricted		12,120,500
Total net position	\$	32,182,357

# City of Port Wentworth, Georgia

## Water and Sewer Enterprise Fund

### Statement of Revenues, Expenses, and Changes in Fund Net Position

#### Year ended June 30, 2021

<b>OPERATING REVENUES</b>	
Charges for services	\$ 3,713,579
Connection fees	75,236
Miscellaneous	110,877
	<hr/>
Total operating revenues	3,899,692
	<hr/>
<b>OPERATING EXPENSES</b>	
Sewer Department	
Personal services and employee benefits	30,866
Purchased and contracted services	880,293
Depreciation	490,562
	<hr/>
Total operating expenses, Sewer	1,401,721
	<hr/>
Water Department	
Personal services and employee benefits	45,618
Purchased and contracted services	684,290
Supplies	1,009,115
Depreciation	276,173
	<hr/>
Total operating expenses, Water	2,015,196
	<hr/>
Wastewater Treatment Department	
Personal services and employee benefits	830
Purchased and contracted services	847,082
Supplies	120,223
Depreciation	384,501
	<hr/>
Total operating expenses, Wastewater Treatment	1,352,636
	<hr/>
Total operating expenses	4,769,553
	<hr/>
Operating loss	(869,861)
	<hr/>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Interest income	10,770
Interest expense	(133,606)
	<hr/>
Total non-operating expenses, net	(122,836)
	<hr/>

**City of Port Wentworth, Georgia**  
**Water and Sewer Enterprise Fund**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position (cont.)**  
**Year ended June 30, 2021**

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Loss before capital contributions and transfers	(992,697)
Capital contributions	<u>1,396,950</u>
Change in net position	404,253
Net position, beginning of year	<u>31,778,104</u>
Net position, end of year	\$ <u>32,182,357</u>

# City of Port Wentworth, Georgia

## Water and Sewer Enterprise Fund

### Statement of Cash Flows

Year ended June 30, 2021

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers	\$ 3,873,150
Cash payments to suppliers for goods and services	(3,539,564)
Cash payments to employees for services	<u>(13,476)</u>
Net cash provided by operating activities	<u>320,110</u>
<b>CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES</b>	
Increase in interfund payables	<u>35,873</u>
Net cash provided by non-capital financing activities	<u>35,873</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Principal paid on long-term debt and capital leases	(154,467)
Interest paid on long-term debt and capital leases	(233,499)
Aid to construction	1,396,950
Acquisition and construction of capital assets	<u>(784,069)</u>
Net cash provided by capital and related financing activities	<u>224,915</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest on investments	<u>10,770</u>
Net cash provided by investing activities	<u>10,770</u>
Net increase in cash and cash equivalents	591,668
Cash and cash equivalents, beginning of year	<u>12,069,900</u>
Cash and cash equivalents, end of year	\$ <u>12,661,568</u>
<b>RECONCILIATION TO THE STATEMENT OF NET POSITION</b>	
Cash and investments	\$ 11,922,325
Restricted cash and investments	<u>739,243</u>
	\$ <u>12,661,568</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating loss	\$ <u>(869,861)</u>
Adjustments to reconcile operating loss to net cash provided by operating activities	
Depreciation	1,151,236
Pension	5,335
Changes in assets and liabilities	
Increase in accounts receivable	(69,659)
Decrease in prepaid items	58,354
Increase in accounts payable	1,439
Increase in customer deposits	43,117
Increase in compensated absences	<u>149</u>
Total adjustments	<u>1,189,971</u>
Net cash provided by operating activities	\$ <u>320,110</u>



# City of Port Wentworth, Georgia

## Notes to the Basic Financial Statements

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the primary government and its components units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

#### B. 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 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 or discretionary presented component units.

#### C. Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise funds. 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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water and sewer functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.



# City of Port Wentworth, Georgia

## Notes to the Basic Financial Statements

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### D. Basis of presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The government reports the following major governmental funds:

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

The *special purpose local option sales tax (SPLOST) capital projects fund* accounts for the receipt and use of local government shared revenues (SPLOST proceeds) to be used for the acquisition, construction, or improvement of capital facilities approved in the government's intergovernmental agreement with Chatham County, Georgia.

The *hotel/motel tax fund* is a special revenue fund used to account for the City's lodging tax revenue that is restricted to the promotion of tourism.

The government reports the following major enterprise fund:

The *water and sewer enterprise fund* accounts for the financial resources from operation of the distribution of water, sewage pumping stations and collection systems, and the operation of the wastewater treatment plant.

Additionally, the government reports the following fund types:

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

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

# City of Port Wentworth, Georgia

## Notes to the Basic Financial Statements

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### **E. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 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 payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financial sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 30 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary fund is reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

### **F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

#### **1. Cash and investment**

The City's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State statutes authorize the City to invest in obligations of or obligations guaranteed by the U.S. Government and agencies or corporations of the U.S. Government; obligations of any state; obligations of any political subdivision of any state; certificates of deposit or time deposits of any national state bank or savings and loan which have deposits insured by the FDIC and FSLIC; prime banker's acceptances, repurchase

# City of Port Wentworth, Georgia

## Notes to the Basic Financial Statements

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### **1. Cash and investment (cont.)**

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 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**

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

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

### **3. Prepaid items**

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

### **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. When both restricted and non-restricted assets are available for use, it is the government's policy to use restricted resources first, then non-restricted resources, as they are needed.

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

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

# City of Port Wentworth, Georgia

## Notes to the Basic Financial Statements

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### 5. Capital assets (cont.)

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	05 - 20
Vehicles	03 - 10

### 6. Long-term obligations

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

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

### 7. 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.

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 one type of this item, which arises only under a modified accrual basis of accounting that 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 property and franchise taxes. These amounts are deferred and recognized as inflows of resources in the period that the amounts become available.

The government-wide statements and proprietary fund type in the fund financial statements have additional deferred outflows of resources and deferred inflows of resources not reported on the modified accrual basis. These deferred outflows of resources and deferred inflows of resources related to pensions result from changes in net pension liability not included in pension expense due to effects in actuarial differences, changes in assumptions, and differences between actual and projected earnings on plan investments.

# City of Port Wentworth, Georgia

## Notes to the Basic Financial Statements

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### 8. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted 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 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. Fund Balance Flow Assumption

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.

### 10. Equity Classification

Equity is classified as net position and displayed in three components in the *government-wide financial statements*.

*Net investment in capital assets* consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

*Restricted net position* consists of net position with constraints placed on the use either 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.

*Unrestricted net position* consists of all other net position that do not meet the definition of "restricted" or "net investment in capital assets".

In the *fund financial statements*, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The *nonspendable fund balance* classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

*Restricted fund balance* reflects constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. For example, the Capital Projects fund balance is restricted due to legislation on uses of SPLOST revenues and the Confiscated Assets fund balance is restricted by federal and state mandates of uses of federal and state seized property.

*Committed fund balance* can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the City Council, the government's highest level of decision-making authority. Those

# City of Port Wentworth, Georgia

## Notes to the Basic Financial Statements

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### **10. Equity Classification (cont.)**

committed amounts cannot be used for any other purpose unless the City Council removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

*Assigned fund balance* reflects the amounts constrained by the City's "intent" to be used for specific purposes, but are neither restricted nor committed. The City's fund balance policy authorized the City Manager or authorized designee to assign amounts to be used for specific purposes. The City Council may also assign fund balance when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

*Unassigned fund balance* is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the City's policy to use externally restricted resources first, then unrestricted resources – committed, assigned, and unassigned – in order as needed.

### **11. 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.

## **G. Revenues and Expenditures/Expenses**

### **1. Program Revenues**

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

### **2. Property Taxes**

Property taxes attach as an enforceable lien on real property and are levied as of January 1 on property values assessed on the same date. Tax bills were rendered September 15, 2020 and were due November 15, 2020. The billings are considered past due 60 days after the respective tax billing date at which time the applicable property is subject to lien and penalties and interest are assessed. A millage rate of 4.160 mills was adopted on June 30, 2020.

### **3. Compensated Absences**

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

# City of Port Wentworth, Georgia

## Notes to the Basic Financial Statements

### 4. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 fund are charges to customers for services provided. Operating expenses of the enterprise fund include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

## II. DETAILED NOTES ON ALL FUNDS

### A. Cash and Investments

As of June 30, 2021, the City had the following investments:

Investment	Maturities	Fair Value
Georgia Fund I (Local Government Investment Pool)	Weighted average 36 days	\$ 9,870,258

*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.F.1. As of June 30, 2021, 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 \$33,852,011 on June 30, 2021 as summarized below (by type and by balance sheet classification):

Accounts by Type		June 30, 2021
Deposits	\$	23,980,953
Investments		9,870,258
Petty cash funds		800
Total carrying value of cash and cash equivalents	\$	33,852,011
<b>Accounts by Balance Sheet Classification</b>		
Cash and cash equivalents	\$	32,994,861
Restricted cash and cash equivalents		857,150
Total carrying value of cash and cash equivalents	\$	33,852,011

*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.

# City of Port Wentworth, Georgia

## Notes to the Basic Financial Statements

### A. Cash and Investments (cont.)

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, 2021, 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:

<b>June 30, 2021</b>	<b>General</b>	<b>Capital Projects</b>	<b>Hotel/ Motel Tax Fund</b>	<b>Water and Sewer</b>	<b>Total</b>
Receivables					
Taxes	\$ 503,833	\$ -	\$ 123,606	\$ -	\$ 627,439
Accounts	152,290	-	-	541,891	694,181
Intergovernmental	432,044	175,461	-	-	607,505
Gross receivable	1,088,167	175,461	123,606	541,891	1,929,125
Allowance for uncollectibles	(39,830)	-	-	(101,904)	(141,734)
Total net receivables	\$ 1,048,337	\$ 175,461	\$ 123,606	\$ 439,987	\$ 1,787,391

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:

<b>June 30, 2021</b>	<b>Unavailable</b>	<b>Unearned</b>	<b>Total Unearned and Unavailable</b>
2021 Property tax collection	\$ -	\$ 712,970	\$ 712,970
Delinquent property taxes receivable	39,871	-	39,871
Franchise taxes receivable	346,810	-	346,810
	\$ 386,681	\$ 712,970	\$ 1,099,651



# City of Port Wentworth, Georgia

## Notes to the Basic Financial Statements

### C. Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Governmental activities</b>					
<i><u>Non-depreciable assets</u></i>					
Land	\$ 1,163,389	\$ 25,500	\$ -	\$ -	\$ 1,188,889
Construction in progress	1,448,564	570,327	-	(1,266,250)	752,641
Total capital assets not being depreciated	<u>2,611,953</u>	<u>595,827</u>	<u>-</u>	<u>(1,266,250)</u>	<u>1,941,530</u>
<i><u>Depreciable assets</u></i>					
Building and improvements	5,910,056	13,250	-	-	5,923,306
Machinery, equipment and vehicles	7,201,425	1,042,617	(260,699)	-	7,983,343
Infrastructure	13,359,533	257,618	-	1,266,250	14,883,401
Subtotals depreciable assets	<u>26,471,014</u>	<u>1,313,485</u>	<u>(260,699)</u>	<u>1,266,250</u>	<u>28,790,050</u>
<i><u>Accumulated depreciation</u></i>					
Building and improvements	(1,989,844)	(191,308)	-	-	(2,181,152)
Machinery, equipment and vehicles	(4,929,845)	(691,171)	246,882	-	(5,374,134)
Infrastructure	(3,496,608)	(550,759)	-	-	(4,047,367)
Subtotals accumulated depreciation	<u>(10,416,297)</u>	<u>(1,433,238)</u>	<u>246,882</u>	<u>-</u>	<u>(11,602,653)</u>
Total capital assets being depreciated, net	<u>16,054,717</u>	<u>(119,753)</u>	<u>(13,817)</u>	<u>1,266,250</u>	<u>17,187,397</u>
<b>Governmental activities capital assets, net</b>	\$ <u>18,666,670</u>	\$ <u>476,074</u>	\$ <u>(13,817)</u>	\$ <u>-</u>	19,128,927
Less related long-term debt outstanding					<u>(3,134,063)</u>
<b>Net investment in capital assets</b>					\$ <u>15,994,864</u>

# City of Port Wentworth, Georgia

## Notes to the Basic Financial Statements

### C. Capital Assets (cont.)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Business-type activities</b>					
<u>Non-depreciable assets</u>					
Land	\$ 240,232	\$ -	\$ -	\$ -	\$ 240,232
Construction in progress	35,644	-	-	(35,644)	-
Total capital assets not being depreciated	275,876	-	-	(35,644)	240,232
<u>Depreciable assets</u>					
Building and improvements	168,941	-	-	-	168,941
Machinery, equipment and vehicles	547,324	-	-	-	547,324
Infrastructure	37,620,763	784,069	-	35,644	38,440,476
Subtotals depreciable assets	38,337,028	784,069	-	35,644	39,156,741
<u>Accumulated depreciation</u>					
Building and improvements	(28,402)	(11,240)	-	-	(39,642)
Machinery, equipment and vehicles	(459,717)	(40,786)	-	-	(500,503)
Infrastructure	(13,079,963)	(1,099,210)	-	-	(14,179,173)
Subtotals accumulated depreciation	(13,568,082)	(1,151,236)	-	-	(14,719,318)
Total capital assets being depreciated, net	24,768,946	(367,167)	-	35,644	24,437,423
<b>Business-type activities capital assets, net</b>	\$ 25,044,822	\$ (367,167)	\$ -	\$ -	24,677,655
Less related long-term debt outstanding					(4,615,798)
<b>Net investment in capital assets</b>					\$ 20,061,857

# City of Port Wentworth, Georgia

## Notes to the Basic Financial Statements

### C. Capital Assets (cont.)

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

	<b>June 30, 2021</b>
<b><i>Governmental activities</i></b>	
General government	\$ 117,783
Judiciary	2,910
Public safety	641,319
Public works	536,053
Culture and recreation	103,704
Housing and development	31,469
<b>Total governmental activities</b>	
<b>depreciation expense</b>	<b>\$ 1,433,238</b>
<b><i>Business-type activities</i></b>	
Sewer	\$ 490,562
Water	276,173
Wastewater treatment	384,501
<b>Total business-type activities</b>	
<b>depreciation expense</b>	<b>\$ 1,151,236</b>

### D. Defined Benefit Pension Plan and Net Pension Liability

*Plan description* – The City's defined benefit pension plan, City of Port Wentworth Retirement Plan (the Plan), provides pensions for all full-time employees of the City eligible for participation in the Plan. The Plan is affiliated with the Georgia Municipal Employees Benefit System (GMEBS), a state-wide, agent multiple-employer pension plan administrated by the Georgia Municipal Association. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by writing to Georgia Municipal Employees Benefit System, 201 Pryor Street, SW, Atlanta, Georgia 30303.

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

*Employees covered by benefit terms* – At January 1, 2021, the date of the latest actuarial valuation, the plan membership included the following categories of participants:

Inactive employees (or their beneficiaries) currently receiving benefits	48
Inactive employees entitled to, but not yet receiving benefits	48
Active employees	65
Active elected officials	7
<b>Total</b>	<b>168</b>

# City of Port Wentworth, Georgia

## Notes to the Basic Financial Statements

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### D. Defined Benefit Pension Plan and Net Pension Asset (cont.)

*Contributions* – The GMEBS board of Trustees has adopted an actuarial funding policy for determination of annual contributions and the systematic funding of liabilities arising under the Plan. The annual minimum contribution is the sum of 1) the normal cost (including administrative expenses), 2) the closed level dollar amortization of the unfunded actuarial accrued liability over a period that ranges from 10 to 30 years based on the funding policy adopted by the GMEBS Board of Trustees, and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly). The GMEBS Board of Trustees has adopted an actuarial funding policy that requires a different funding level than the state estimated minimum annual contribution in an effort to minimize fluctuations in annual contribution amounts and to accumulate sufficient funds to secure benefits under the plan. If the employer contributes the recommended contribution developed under the actuarial funding policy each year, the Plan will meet applicable state funding standards. The estimated minimum annual contribution under these standards is \$150,640.

*Net pension liability* – The City's net pension liability was measured as of September 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021.

*Actuarial assumptions* – The total pension liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Net investment rate of return	7.375%
Projected salary increases	2.25%, plus service based merit increases
Cost of living adjustments	2.25%

Source of mortality assumptions are as follows:

Healthy	Sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates x 1.25
Disabled	Sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates x 1.25
Active participants, terminated vested participants, and deferred beneficiaries:	Sex-distinct Pri-2012 head-count weighted Employee Mortality Table
Plan termination basis (all lives)	1994 Group Annuity Reserving Unisex Table

The mortality and economic actuarial assumptions used in the January 1, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through June 30, 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The difference between the resulting rate and the rate on the ongoing basis is a margin for adverse deviation.

# City of Port Wentworth, Georgia

## Notes to the Basic Financial Statements

### D. Defined Benefit Pension Plan and Net Pension Asset (cont.)

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	45%	6.40%
International equity	20%	7.05%
Domestic fixed income	20%	1.15%
Global fixed income	5%	1.25%
Real estate	10%	4.50%
	<u>100%</u>	

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

Changes in net pension (asset) liability are as follows:

	Total Pension Liability (TPL)	Fiduciary Net Position (FNP)	Net Pension (Asset) Liability (NPA) NPL
Balances at September 30, 2019	\$ 7,792,401	\$ 7,852,064	\$ (59,663)
Changes for the year:			
Service cost	186,803	-	186,803
Interest	574,328	-	574,328
Differences between expected and actual experience	270,908	-	270,908
Contributions, employer	-	196,073	(196,073)
Net investment income	-	751,971	(751,971)
Benefit payments, including refunds	(383,409)	(383,409)	-
Administrative expense	-	(19,961)	19,961
Net changes	<u>648,630</u>	<u>544,674</u>	<u>103,960</u>
Balances at September 30, 2020	<u>\$ 8,441,031</u>	<u>\$ 8,396,738</u>	<u>\$ 44,293</u>

The balances as of September 30, 2019 and 2020 include entry age normal liabilities calculated using ages and service amounts as of January 1, 2020 and 2021, respectively, and constitute measurements of the net pension (asset) liability for the fiscal years ending June 30, 2020 and 2021, respectively.

# City of Port Wentworth, Georgia

## Notes to the Basic Financial Statements

### D. Defined Benefit Pension Plan and Net Pension Asset (cont.)

*Sensitivity of the net pension liability (asset) to changes in the discount rate* – The following represents the net pension liability (asset) of the City calculated using the discount rate of 7.375%, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1.00% point lower (6.375%) or 1.00% higher (8.375%) than the current discount rate.

	<b>1.00% Decrease (6.375%)</b>	<b>Current Discount Rate (7.375%)</b>	<b>1.00% Increase (8.375%)</b>
City's net pension liability (asset)	\$ 1,330,087	\$ 44,293	\$ (993,253)

*Pension plan fiduciary net position* – Detailed information about the pension plan's fiduciary net position is available in the separately issued GMEBS financial report.

Pension expense for the year ended June 30, 2021:

Service cost	\$ 186,803
Interest on Total Pension Liability (TPL)	574,328
Administrative expenses	19,961
Expected return on assets	(571,445)
Expensed portion of current year period differences between expected and actual experience in TPL	67,727
Expensed portion of current year period differences between projected and actual investment earnings	(36,106)
Current year recognition of deferred inflows and outflows established in prior years	(84,511)
<b>Total pension expense</b>	<b>\$ 156,757</b>

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflow of Resources</b>	<b>Deferred Inflow of Resources</b>
Differences between expected and actual experience	\$ 318,788	\$ -
Changes of assumptions	-	(9,443)
Net difference between projected and actual earnings on pension plan investments	-	(98,657)
The City's contribution to the pension plan subsequent to the measurement date	183,101	-
<b>Total deferred outflows/(inflows)</b>	<b>\$ 501,889</b>	<b>\$ (108,100)</b>

# City of Port Wentworth, Georgia

## Notes to the Basic Financial Statements

### D. Defined Benefit Pension Plan and Net Pension Liability (cont.)

The amount of deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date, \$183,101, will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as pension expense and deferred outflows/inflows of resources related to pensions are projected to be recognized currently and in future years as follows:

	Year Established	Outstanding Balance at July 1, 2020	Amount Recognized during Year ended June 30, 2021	Outstanding Balance at June 30, 2021
<b>Outflows:</b>				
Demographic	2019	\$ 95,642	\$ 47,821	\$ 47,821
Demographic	2020	101,679	33,893	67,786
Investment	2020	279,988	69,997	209,991
Demographic	2021	270,908	67,727	203,181
		<u>748,217</u>	<u>219,438</u>	<u>528,779</u>
<b>Inflows:</b>				
Investment	2017	(40,448)	(40,448)	-
Investment	2018	(186,816)	(93,408)	(93,408)
Demographic	2018	(24,246)	(24,246)	-
Assumption change	2018	(37,988)	(37,988)	-
Investment	2019	(106,236)	(35,412)	(70,824)
Assumption change	2020	(14,160)	(4,720)	(9,443)
Investment	2021	(180,522)	(36,106)	(144,416)
Total Inflows		<u>(590,416)</u>	<u>(272,328)</u>	<u>(318,091)</u>
Total Outflows		\$ <u>157,801</u>	\$ <u>(52,890)</u>	\$ <u>210,688</u>

#### Deferred (Inflows)/Outflows Recognized in Future Years:

	Year Established	2022	2023	2024	2025
<b>Outflows:</b>					
Demographic	2019	\$ 47,821	\$ -	\$ -	\$ -
Demographic	2020	33,893	33,893	-	-
Investment	2020	69,997	69,997	69,997	-
Demographic	2021	67,727	67,727	67,724	-
		<u>219,438</u>	<u>171,617</u>	<u>137,721</u>	<u>-</u>
<b>Inflows:</b>					
Investment	2018	(93,408)	-	-	-
Investment	2019	(35,412)	(35,412)	-	-
Assumption change	2020	(4,720)	(4,720)	-	-
Investment	2021	(36,104)	(36,104)	(36,104)	(36,104)
Total Inflows		<u>(169,644)</u>	<u>(76,236)</u>	<u>(36,104)</u>	<u>(36,104)</u>
Total (Inflows)/Outflows/		\$ <u>49,794</u>	\$ <u>95,381</u>	\$ <u>101,617</u>	\$ <u>(36,104)</u>

The required Schedule of Changes in the City's Net Pension Liability (Asset) and Related Ratios and the Schedule of City Contributions immediately follow the notes to the financial statements.

# City of Port Wentworth, Georgia

## Notes to the Basic Financial Statements

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### **E. 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. The Plan requires the City to contribute 8.2% of the eligible participant's salary (employer portion). No employees were eligible to participate in the Plan during the current fiscal year. There are no required contributions by Plan members. Contributions are 100% vested from the time credited to the participant's account and therefore, upon a participant's separation from service, there are no forfeitures of employer contributions. Plan provisions are established in the Plan Adoption Agreement and may be amended by City Council, so long as the amendment is not inconsistent with the Plan, the Internal Revenue Code or other applicable law and is approved by the trustees of the Plan. During the year ended June 30, 2021, the City made no contributions to the Plan.

### **F. 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.

### **G. Capital Lease**

In prior years, the City entered into lease agreements as lessee for financing the acquisition of vehicles. The vehicles have three to ten year estimated useful lives. Accumulated amortization for assets recorded under capital leases is included with depreciation expense. During the year ended June 30, 2021, \$209,931 and \$11,826 were included in depreciation expense of governmental and business-type activities, respectively, and the balance of accumulated depreciation for capital leases is \$709,037. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the inception date. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021, were as follows:



# City of Port Wentworth, Georgia

## Notes to the Basic Financial Statements

### G. Capital Lease (cont.)

Year ending June 30,	Governmental Activities
2022	\$ 194,932
2023	194,932
2024	194,932
2025	194,932
2026	194,932
2027-2029	256,169
Total minimum lease payments	1,230,829
Less: amount representing interest	125,128
Present value of minimum lease payments	\$ 1,105,701

### H. Long-term Debt

#### Loans payable from direct borrowings – Governmental activities

**New City Hall Loan** – The City has a loan agreement with the JPMorgan Chase Bank. This loan was executed on May 10, 2019 in the amount of \$2,500,000. The loan has an annual interest rate of 2.5% and maturity date of May 10, 2029. As of June 30, 2021, the loan balance was \$2,028,362.

Annual debt service requirements to maturity for the JPMorgan Chase Bank loan are as follows:

Year ending June 30,	Governmental-Type Activities		
	Principal	Interest	Total
2022	\$ 235,308	\$ 48,022	\$ 283,330
2023	241,259	42,071	283,330
2024	247,360	35,970	283,330
2025	253,615	29,715	283,330
2026	260,029	23,301	283,330
2027-2029	790,791	29,792	820,583
	\$ 2,028,362	\$ 208,871	\$ 2,237,233

#### Loans payable from direct borrowings – business-type activities

**GEFA Loan** - The City has a loan with the Georgia Environmental Finance Authority (GEFA), a state agency. The GEFA makes low interest long-term loans to fund improvements to publicly owned water and sewer systems. The loan proceeds were used to fund construction of a 500,000-gallon elevated water tank. This loan was executed on August 1, 2016 in the amount of \$1,953,990. The loan has an annual interest rate of 3.03% and maturity date of August 1, 2036. As of June 30, 2021, the loan balance was \$1,583,929.

**USDA Loan** - The City has a loan with the 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. This amount is accounted for in the Water and Sewer Enterprise Fund cash and investments balance. As of June 30, 2021, the loan balance was \$3,031,869.

# City of Port Wentworth, Georgia

## Notes to the Basic Financial Statements

### H. Long-term Debt (cont.)

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

Year ending June 30,	Business-Type Activities		
	Principal	Interest	Total
2022	\$ 146,811	\$ 129,215	\$ 276,025
2023	151,141	124,885	276,026
2024	155,599	120,427	276,026
2025	160,188	115,838	276,026
2026	164,912	111,114	276,026
2027-2031	900,471	479,658	1,380,129
2032-2036	1,041,398	338,731	1,380,129
2037-2041	520,909	224,967	745,876
2042-2046	577,304	150,856	728,160
2047-2051	662,296	65,864	728,160
2052-2053	134,769	1,905	136,674
	<u>\$ 4,615,798</u>	<u>\$ 1,863,460</u>	<u>\$ 6,479,258</u>

Changes in long-term liabilities:

	Outstanding July 1, 2020	Increase	Decrease	Outstanding June 30, 2021	Due within One Year
<b>Governmental activities</b>					
Leases payable	\$ 1,297,686	\$ -	\$ 191,985	\$ 1,105,701	\$ 160,985
Direct borrowings	2,257,754	-	229,392	2,028,362	235,308
Compensated absences	189,120	263,968	238,604	214,484	139,215
Total governmental activities	<u>\$ 3,744,560</u>	<u>\$ 263,968</u>	<u>\$ 778,455</u>	<u>\$ 3,348,547</u>	<u>\$ 535,508</u>
<b>Business-type activities</b>					
Direct borrowings	\$ 4,758,199	\$ -	\$ 142,401	\$ 4,615,798	\$ 146,811
Leases payable	12,066	-	12,066	-	-
Compensated absences	891	2,751	2,602	1,040	1,040
Total business-type activities	<u>\$ 4,771,156</u>	<u>\$ 2,751</u>	<u>\$ 157,069</u>	<u>\$ 4,616,838</u>	<u>\$ 147,851</u>

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.

The legal debt limit is \$52,976,838 at June 30, 2021. Refer to page G-20 for further details on debt limitations.

# City of Port Wentworth, Georgia

## Notes to the Basic Financial Statements

### I. Interfund Receivables, Payables, and Transfers

Interfund receivable and payable balances as of June 30, 2021 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Hotel/Motel Fund	\$ 126,109
General Fund	Water and Sewer Enterprise Fund	8,329
Total interfund receivables and payables (net)		\$ 134,438

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:

Transfers in	Transfers Out	Purpose	Amount
General Fund	Hotel/Motel Tax Fund	Tax revenue distribution	\$ 402,268

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.

### J. 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. There are no commitments or contingencies related to the construction in progress activity at June 30, 2021.

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.

### K. 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. Department heads, with the approval of the city manager, may transfer appropriations within their department. Interdepartmental transfers require the approval of the city manager. General administration and police capital outlay expenditures exceeded the budgeted amount and resulted in the small variance within those departments. The effect of the adoption of GASB No. 84 increased municipal court expenditures and resulted in the material variance within the general municipal court department. The purchase of land for a drainage easement in excess of the estimated cost resulted in the material variance within the general storm drainage department. Hotel Motel collections exceeded budgeted revenues due to the improvement in the travel by the economy in 2021 thus the amount transferred to General Fund was higher than budgeted.

# City of Port Wentworth, Georgia

## Notes to the Basic Financial Statements

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### L. Membership in a Regional Commission

Under Georgia law, the City is a member of the Coastal Regional Commission of Georgia (CRC) and is required to pay annual dues thereto. During its year ended June 30, 2021, the City paid \$6,967 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. Membership in the commission currently consists of 45 members from Bryan, Bulloch, Camden, Chatham, Effingham, Glynn, Liberty, Long, McIntosh and Screven counties. Membership includes prominent elected officials from each of these counties, plus state appointed and ex-officio members. 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, 1181 Coastal Drive SW, Darien, GA 31305.

### M. Tax Abatements

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

For the year ended June 30, 2021, the City abated property taxes of \$75,699.

### N. Restatement of Prior Year Net Position and Fund Balance

In fiscal year 2021, the City adopted GASB Statement No. 84, Fiduciary Activities. This statement established criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on: 1) whether a government is controlling the assets of the fiduciary activity, and 2) the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. The City restated Governmental Activities beginning net position and beginning fund balance for the General Fund for the cumulative effect of this accounting change. These changes are in accordance with generally accepted accounting principles.

Fund balance, General Fund, as previously reported	\$ 15,766,412
Prior Period Adjustment - Implementation of GASB No. 84	13,438
Fund balance, General Fund, as restated	<u>\$ 15,779,850</u>
Net position, Governmental Activities, as previously reported	\$ 33,939,472
Prior Period Adjustment - Implementation of GASB No. 84	13,438
Net position, Governmental Activities, as restated	<u>\$ 33,952,910</u>



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



# City of Port Wentworth, Georgia

## General Fund

### Budgetary Comparison Schedule

Year ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 5,872,180	\$ 5,872,180	\$ 6,282,235	\$ 410,055
Licenses and permits	403,955	403,955	537,048	133,093
Intergovernmental revenues	164,908	164,908	627,725	462,817
Charges for services	1,824,484	1,824,484	2,072,608	248,124
Fines and forfeitures	1,708,984	1,708,984	2,118,448	(31,358)
Investment income	134,894	134,894	14,360	(120,534)
Miscellaneous	59,100	59,100	16,844	(48,256)
Total revenues	10,168,505	10,168,505	11,669,268	1,059,941
EXPENDITURES				
Current				
General government				
City Council	104,364	84,364	48,256	36,108
Mayor	31,625	50,625	48,468	2,157
General administration	1,078,302	1,294,282	1,020,103	(10,801)
Judicial				
Municipal court	281,674	263,874	663,611	(399,737)
Public safety				
Police	4,421,958	4,275,707	4,276,247	(540)
Fire	2,128,532	2,050,233	1,943,600	106,633
Emergency management	117,598	133,098	85,403	47,695
Public works				
Highways and streets	533,143	565,143	415,339	149,804
Storm drainage	79,700	139,700	144,364	(4,664)
Sanitation	804,850	1,081,300	1,080,459	841
Culture and recreation				
Recreation	751,559	740,559	549,511	191,048
Housing and development				
Inspections	768,420	768,420	720,003	48,417
Debt service				
Principal	472,981	418,381	421,377	(2,996)
Interest	108,042	102,042	93,493	8,549
Total expenditures	11,682,748	11,682,748	11,510,234	172,514
(Deficiency) surplus of revenues (under) over expenditures	(1,514,243)	(1,514,243)	159,034	1,673,277
OTHER FINANCING SOURCES				
Transfers in	360,570	1,514,243	402,268	(1,111,975)
Sale of capital assets	-	-	85,234	85,234
Insurance proceeds	-	-	1,033	1,033
Total other financing sources	360,570	1,514,243	488,535	(1,025,708)

# City of Port Wentworth, Georgia

## General Fund

### Budgetary Comparison Schedule (cont.)

Year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Net change in fund balance	(1,153,673)	-	647,569	647,569
Fund balance, beginning of year, restated	15,779,850	15,779,850	15,779,850	-
Fund balance, end of year	\$ 14,626,177	\$ 15,779,850	\$ 16,427,419	\$ 647,569

Refer to page E-4 for discussion of material budget violations.



# City of Port Wentworth, Georgia

## Special Revenue – Hotel/Motel Fund

### Budgetary Comparison Schedule

Year ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes	\$ 706,655	\$ 706,655	\$ 791,601	\$ 84,946
Investment income	-	-	8	8
Total revenue	706,655	706,655	791,609	84,954
<b>EXPENDITURES</b>				
Intergovernmental assistance	353,257	353,257	196,763	156,494
Total expenditures	353,257	353,257	196,763	156,494
Excess of revenues over expenditures	353,398	353,398	594,846	(241,448)
<b>OTHER FINANCING USES</b>				
Transfers out	(353,398)	(353,398)	(402,268)	(48,870)
Total other financing uses	(353,398)	(353,398)	(402,268)	(48,870)
Net change in fund balance	-	-	192,578	192,578
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 192,578	\$ 192,578

Refer to page E-4 for discussion of material budget violations.

# 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, 2021, the following supplemental increase and decrease in appropriations were approved:

<u>Fund Type</u>		<u>Original Appropriations</u>		<u>Supplemental Appropriations</u>		<u>Supplemental Decreases</u>		<u>Final Appropriations</u>
General	\$	11,682,748	\$	-	\$	-	\$	11,682,748
Hotel/motel tax		706,655		-		-		706,655

The following departments incurred expenses in excess of final budget:

<u>Fund</u>	<u>Department</u>	<u>Variance</u>
General	General administration	\$ 10,801
General	Police	540
General	Municipal Court	399,737
General	Storm drainage	4,664
Hotel Motel	Transfers out	48,870

Department heads, with the approval of the city manager, may transfer appropriations within their department. Interdepartmental transfers require the approval of the city manager. General administration and police capital outlay expenditures exceeded the budgeted amount and resulted in the small variance within those departments. The effect of the adoption of GASB No. 84 increased municipal court expenditures and resulted in the material variance within the general municipal court department. The purchase of land for a drainage easement in excess of the estimated cost resulted in the material variance within the general storm drainage department. Hotel Motel collections exceeded budgeted revenues due to the improvement in the travel by the economy in 2021 thus the amount transferred to General Fund was higher than budgeted.

# City of Port Wentworth, Georgia

## Required Supplementary Information

### Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios Last Ten Fiscal Years

<i>Fiscal year ended June 30,</i>	<b>2012*</b>	<b>2013*</b>	<b>2014*</b>	<b>2015*</b>	<b>2015*</b>
<b>TOTAL PENSION LIABILITY</b>					
Service cost	\$ -	\$ -	\$ -	\$ -	\$ 97,877
Interest	-	-	-	-	439,379
Differences between expected & actual experience	-	-	-	-	(89,257)
Changes of assumptions	-	-	-	-	-
Changes of benefit terms	-	-	-	-	-
Benefit payments, including refunds of employee contributions	-	-	-	-	(253,230)
Net change in total pension liability	-	-	-	-	194,769
Total pension liability, beginning	-	-	-	-	5,796,016
Total pension liability, ending (a)	\$ -	\$ -	\$ -	\$ -	\$ 5,990,785
<b>PLAN FIDUCIARY NET POSITION</b>					
Contributions, employer	\$ -	\$ -	\$ -	\$ -	\$ 127,043
Contributions, employee	-	-	-	-	-
Net investment income	-	-	-	-	73,858
Benefit payments, including refunds of employee contributions	-	-	-	-	(253,230)
Administrative expense	-	-	-	-	(13,055)
Net change in fiduciary net position	-	-	-	-	(65,384)
Plan fiduciary net position, beginning	-	-	-	-	6,021,324
Plan fiduciary net position, ending (b)	\$ -	\$ -	\$ -	\$ -	\$ 5,955,940
<b>NET PENSION LIABILITY (ASSET), ending (a) – (b)</b>	\$ -	\$ -	\$ -	\$ -	\$ 34,845
Plan's fiduciary net position as a percentage of the total pension liability	-	-	-	-	99.42%
Covered-employee payroll	\$ -	\$ -	\$ -	\$ -	\$ 1,870,923
Net pension liability (asset) as a percent of covered-employee payroll	-	-	-	-	(14.06%)
<i>Fiscal year ended June 30,</i>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>TOTAL PENSION LIABILITY</b>					
Service cost	\$ 115,559	\$ 136,548	\$ 165,255	\$ 168,952	\$ 186,803
Interest	453,854	493,644	508,526	548,377	574,328
Differences between expected & actual experience	134,050	(96,982)	191,283	135,573	270,908
Changes of assumptions	-	-	-	(18,881)	-
Changes of benefit terms	-	83,834	-	-	-
Benefit payments, including refunds of employee contributions	(269,196)	(273,935)	(306,135)	(368,710)	(383,409)
Net change in total pension liability	434,267	343,109	558,929	465,311	648,630
Total pension liability, beginning	5,990,785	6,425,052	6,768,161	7,327,090	7,792,401
Total pension liability, ending (a)	\$ 6,425,052	\$ 6,768,161	\$ 7,327,090	\$ 7,792,401	\$ 8,441,031
<b>PLAN FIDUCIARY NET POSITION</b>					
Contributions, employer	\$ 127,716	\$ 140,218	\$ 150,949	\$ 204,475	\$ 196,073
Contributions, employee	-	-	-	-	-
Net investment income	657,890	961,697	715,476	228,654	751,971
Benefit payments, including refunds of employee contributions	(269,196)	(273,935)	(306,135)	(368,710)	(383,409)
Administrative expense	(11,637)	(22,401)	(19,652)	(19,285)	(19,961)
Net change in fiduciary net position	504,773	805,579	540,638	45,134	544,674
Plan fiduciary net position, beginning	5,955,940	6,460,713	7,266,292	7,806,930	7,852,064
Plan fiduciary net position, ending (b)	\$ 6,460,713	\$ 7,266,292	\$ 7,806,930	\$ 7,852,064	\$ 8,396,738
<b>NET PENSION LIABILITY (ASSET), ending (a) – (b)</b>	\$ (35,661)	\$ (498,131)	\$ (479,840)	\$ (59,663)	\$ 44,293
Plan's fiduciary net position as a percentage of the total pension liability (asset)	100.56%	107.36%	106.55%	100.77%	99.48%
Covered payroll	\$ 2,054,379	\$ 2,617,570	\$ 2,594,412	\$ 3,082,614	\$ 3,954,625
Net pension liability (asset) as a percent of covered payroll	(1.74%)	(19.03%)	(18.50%)	(1.94%)	1.12%

\* Historical information prior to implementation of GASB 68 is not required.

# City of Port Wentworth, Georgia

## Required Supplementary Information

### Schedule of Contributions

#### Last Ten Fiscal Years

<i>Fiscal year ended June 30,</i>	<b>2012*</b>	<b>2013*</b>	<b>2014*</b>	<b>2015</b>	<b>2016</b>
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ 127,203	126,561
Contributions in relation to the actuarially determined contribution	-	-	-	140,178	126,561
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ (12,975)	-
Covered payroll	\$ -	\$ -	\$ -	\$ 2,315,288	2,555,161
Contributions as a percentage of covered payroll	-	-	-	6.05%	4.95%
<i>Fiscal year ended June 30,</i>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021**</b>
Actuarially determined contribution	\$ 131,182	\$ 159,728	\$ 186,916	\$ 194,845	\$ 199,745
Contributions in relation to the actuarially determined contribution	134,932	159,728	186,916	194,845	183,101
Contribution deficiency (excess)	\$ (3,750)	\$ -	\$ -	\$ -	\$ 16,644
Covered payroll	\$ 3,068,766	\$ 3,380,772	\$ 3,230,688	\$ 3,584,441	\$ 3,954,625
Contributions as a percentage of covered payroll	4.40%	4.72%	5.79%	5.44%	4.63%

\*Historical information prior to implementation of GASB 68 is not required.

\*\*2021 Information is estimated. This information will be finalized after the current fiscal year end and included in the 2021 GMEBS actuarial report.

#### NOTES:

Contributions are recorded based on date of receipt into the GMEBS trust. Minor timing issues in receipt of monthly payments are not indicative of non-compliance with GMEBS funding policy. A plan is in compliance with the GMEBS funding policy if it pays either the dollar amount or the percentage of employee-covered payroll of the actuarially determined contributions.

2020 covered payroll is based on data collected as of September 30, 2019 for the 2020 actuarial valuation.

The actuarially determined contribution rate was determined as of January 1, 2021, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending June 30, 2022. The following methods and assumptions are used to determine contribution rates:

Actuarial cost method	Projected Unit Credit Cost Method which takes into consideration normal cost and actuarial accrued liability calculated on an individual basis and allocated by service. (NOTE: The Entry Age Actuarial Cost Method was used to measure Total Pension Liability.)
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	N/A
Asset valuation method	Sum of actuarial value at the beginning of the year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the fair value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of fair value.
Actuarial Assumptions:	
Net Investment rate of return	7.375%
Projected salary increases	2.25% plus service based merit increases
Cost of living adjustments	2.25%
Retirement age and mortality	See notes to the basic financial statements, page D-25



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





# City of Port Wentworth, Georgia

## Special Revenue – Confiscated Assets

### Budgetary Comparison Schedule

Year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fines and forfeitures	\$ -	\$ -	\$ 120	\$ 120
Total revenue	-	-	120	120
<b>EXPENDITURES</b>				
Current				
Public safety	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balance	-	-	120	120
Fund balance, beginning of year	4,827	4,827	4,827	-
Fund balance, end of year	\$ 4,827	\$ 4,827	\$ 4,947	\$ 120

Refer to page E-4 for discussion of material budget violations.



**City of Port Wentworth, Georgia**  
**Schedule of Projects Constructed with**  
**Special Purpose Local Option Sales Tax Proceeds**  
**Year ended June 30, 2021**

	<u>Original Estimated Cost</u>	<u>Revised Estimated Cost</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total Cost</u>
<b>2014 SPLOST EXPENDITURES</b>					
Streets and roads	\$ 2,002,600	\$ 2,002,600	\$ 1,858,897	\$ -	\$ 1,858,897
Recreation	998,200	998,200	822,892	5,820	828,712
Sewer systems	3,000,800	3,000,800	1,179,295	533,482	1,712,777
Downtown redevelopment	198,400	198,400	4	-	4
Total 2014 SPLOST expenditures	\$ <u>6,200,000</u>	\$ <u>6,200,000</u>	\$ <u>3,861,088</u>	\$ <u>539,302</u>	\$ <u>4,400,390</u>
<b>2021 SPLOST EXPENDITURES</b>					
Roads and drainage	\$ 3,000,000	\$ 3,000,000	\$ -	\$ -	\$ -
Recreation	4,000,000	4,000,000	-	-	-
Sewer	1,500,000	1,500,000	-	-	-
Police and Fire Vehicle and Equipment	1,800,000	1,800,000	-	296,779	296,779
Total 2021 SPLOST expenditures	\$ <u>10,300,000</u>	\$ <u>10,300,000</u>	\$ <u>-</u>	\$ <u>296,779</u>	\$ <u>296,779</u>

**City of Port Wentworth, Georgia**  
**Schedule of Required Expenditures Funded by the Hotel/Motel Tax**  
**Year ended June 30, 2021**

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<b>REVENUES</b>		
Hotel/motel taxes	\$	791,601
<b>EXPENDITURES</b>		
Tourism expenditures	\$	196,763
Percentage of expenditures to revenues		25.0%

# City of Port Wentworth, Georgia

## Comments Relative to Statistical Section

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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, disclosures, and required supplementary information says about the government's overall financial health.

Contents	Page
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial position has changed over time.	G-2
<b>Revenue Capacity</b> 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-11
<b>Debt Capacity</b> 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 debt in the future.	G-17
<b>Demographic and Economic Information</b> 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-21
<b>Operating Information</b> 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-23

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

**City of Port Wentworth, Georgia**  
**Net Position by Component – Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

<i>Fiscal year ended June 30,</i>	<b>2012</b>	<b>2013</b>	<b>2014 Restated</b>	<b>2015</b>
<b>Governmental activities</b>				
Net investment in capital assets	\$ 7,898,751	\$ 8,301,163	\$ 8,477,481	\$ 8,797,563
Restricted	2,779,710	2,731,952	3,201,828	2,117,207
Unrestricted	<u>7,438,909</u>	<u>8,516,292</u>	<u>10,103,337</u>	<u>12,228,494</u>
Total governmental activities, net position	\$ <u>18,117,370</u>	\$ <u>19,549,407</u>	\$ <u>21,782,646</u>	\$ <u>23,143,264</u>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 22,781,837	\$ 22,331,549	\$ 21,748,916	\$ 23,279,528
Restricted	-	-	-	-
Unrestricted	<u>4,552,946</u>	<u>4,993,883</u>	<u>6,583,724</u>	<u>6,951,289</u>
Total business-type activities, net position	\$ <u>27,334,783</u>	\$ <u>27,325,432</u>	\$ <u>28,332,640</u>	\$ <u>30,230,817</u>
<b>Primary government</b>				
Net investment in capital assets	\$ 30,680,588	\$ 30,632,712	\$ 30,226,397	\$ 32,077,091
Restricted	2,779,710	2,731,952	3,201,828	2,117,207
Unrestricted	<u>11,991,855</u>	<u>13,510,175</u>	<u>16,687,061</u>	<u>19,179,783</u>
Total primary government, net position	\$ <u>45,452,153</u>	\$ <u>46,874,839</u>	\$ <u>50,115,286</u>	\$ <u>53,374,081</u>

**City of Port Wentworth, Georgia**  
**Net Position by Component – Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020 Restated</u>	<u>2021</u>
\$	9,135,801	\$ 10,914,871	\$ 11,627,601	\$ 12,884,726	\$ 15,111,230	\$ 15,994,864
	2,975,435	3,057,708	4,222,296	3,823,848	2,551,493	3,736,585
	<u>13,614,295</u>	<u>14,485,879</u>	<u>14,500,180</u>	<u>16,026,973</u>	<u>16,290,187</u>	<u>16,945,722</u>
 \$	 <u>25,725,531</u>	 <u>28,458,458</u>	 <u>30,350,077</u>	 <u>32,735,547</u>	 <u>33,952,910</u>	 <u>36,677,171</u>
 \$	 22,607,526	 22,116,290	 22,045,154	 21,051,718	 20,274,557	 20,061,857
	-	-	-	-	-	-
	<u>8,425,775</u>	<u>8,825,703</u>	<u>8,820,412</u>	<u>10,600,998</u>	<u>11,503,547</u>	<u>12,120,500</u>
 \$	 <u>31,033,301</u>	 <u>30,941,993</u>	 <u>30,865,566</u>	 <u>31,652,716</u>	 <u>31,778,104</u>	 <u>32,182,357</u>
 \$	 31,743,327	 33,031,161	 33,672,755	 33,936,444	 35,385,787	 36,056,721
	2,975,435	3,057,708	4,222,296	3,823,848	2,551,493	3,736,585
	<u>22,040,070</u>	<u>23,311,582</u>	<u>23,320,592</u>	<u>26,627,971</u>	<u>27,793,734</u>	<u>29,066,222</u>
 \$	 <u>56,758,832</u>	 <u>59,400,451</u>	 <u>61,215,643</u>	 <u>64,388,263</u>	 <u>65,731,014</u>	 <u>68,859,528</u>

**City of Port Wentworth, Georgia**  
**Changes in Net Position – Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

<i><b>Fiscal year ended June 30,</b></i>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2014</b>
<b>EXPENSES</b>				
Governmental activities				
General government	\$ 475,923	\$ 490,656	\$ 539,215	\$ 588,291
Judiciary	131,614	124,347	136,874	144,817
Public safety	2,896,829	2,775,757	2,787,198	2,764,086
Public works	1,396,285	1,304,589	1,315,206	1,507,712
Culture and recreation	377,690	427,733	454,501	540,278
Housing and development	547,210	504,696	481,375	552,204
Interest on long-term debt	10,163	9,931	-	-
Total governmental activities, expenses	5,835,714	5,637,709	5,714,369	6,097,388
Business-type activities				
Water and sewer	3,127,749	3,139,537	3,086,475	3,279,096
Total business-type activities, expenses	3,127,749	3,139,537	3,086,475	3,279,096
Total primary government, expenses	\$ 8,963,463	\$ 8,777,246	\$ 8,800,844	\$ 9,376,484
<b>PROGRAM REVENUES</b>				
Governmental activities				
Charges for services				
General government	\$ 3,225	\$ 24,140	\$ 29,803	\$ 33,749
Public safety	961,061	1,007,248	1,104,821	1,577,991
Public works	867,239	871,759	937,730	956,050
Culture and recreation	7,582	10,198	13,876	16,357
Housing and development	140,306	148,685	208,181	184,435
Operating grants and contributions	87,539	51,864	62,588	52,943
Capital grants and contributions	650,782	772,510	646,579	1,008,942
Total governmental activities program revenues	2,717,734	2,886,404	3,003,578	3,830,467
Business-type activities				
Charges for services	2,417,521	2,510,901	2,711,568	2,640,802
Capital grants and contributions	346,073	231,795	1,206,031	490,881
Total business-type activities program revenues	2,763,594	2,742,696	3,917,599	3,131,683
Total primary government program revenues	\$ 5,481,328	\$ 5,629,100	\$ 6,921,177	\$ 6,962,150
<b>NET (EXPENSE)/REVENUE</b>				
Governmental activities	\$ (3,117,980)	\$ (2,751,305)	\$ (2,710,791)	\$ (2,266,921)
Business-type activities	(364,155)	(396,841)	831,124	(147,413)
Total primary government net (expense)/revenue	\$ (3,482,135)	\$ (3,148,146)	\$ (1,879,667)	\$ (2,414,334)

# City of Port Wentworth, Georgia

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

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 625,503	\$ 632,190	\$ 897,340	\$ 821,532	\$ 1,167,153	\$ 1,062,812
180,179	185,659	220,545	236,265	202,130	669,141
3,123,784	3,815,367	4,626,874	5,335,417	5,617,234	6,338,718
1,693,976	1,969,308	1,876,454	1,374,086	1,802,457	2,150,734
605,843	677,741	767,938	765,043	653,378	637,904
772,566	724,877	729,097	886,931	725,738	707,955
-	-	-	-	77,721	70,845
<u>7,001,851</u>	<u>8,005,142</u>	<u>9,118,248</u>	<u>9,419,274</u>	<u>10,245,811</u>	<u>11,638,109</u>
 3,321,289	 3,731,195	 4,005,541	 4,631,080	 4,916,788	 4,903,159
<u>3,321,289</u>	<u>3,731,195</u>	<u>4,005,541</u>	<u>4,631,080</u>	<u>4,916,788</u>	<u>4,903,159</u>
 \$ <u>10,323,140</u>	 \$ <u>11,736,337</u>	 \$ <u>13,123,789</u>	 \$ <u>14,050,354</u>	 \$ <u>15,162,599</u>	 \$ <u>16,541,268</u>
  \$ 39,836	  \$ 37,331	  \$ 34,477	  \$ 50,297	  \$ 50,920	  \$ 48,125
1,379,388	1,312,118	1,502,420	1,862,753	2,093,858	2,665,947
1,040,913	1,117,330	1,136,205	1,152,822	1,225,842	1,323,327
23,931	36,741	45,048	44,733	18,364	8,489
275,555	206,863	272,502	443,791	537,463	682,216
 112,032	 291,784	 202,841	 75,158	 92,324	 504,804
<u>1,168,316</u>	<u>1,498,119</u>	<u>1,414,816</u>	<u>1,452,810</u>	<u>932,199</u>	<u>1,951,516</u>
 4,039,971	 4,500,286	 4,608,309	 5,082,364	 4,950,970	 7,184,424
 2,863,568	 3,229,680	 3,243,713	 3,473,649	 3,575,193	 3,788,815
<u>945,908</u>	<u>270,902</u>	<u>570,800</u>	<u>1,786,381</u>	<u>1,315,222</u>	<u>1,396,950</u>
 3,809,476	 3,500,582	 3,814,513	 5,260,030	 4,890,415	 5,185,765
 \$ <u>7,849,447</u>	 \$ <u>8,000,868</u>	 \$ <u>8,422,822</u>	 \$ <u>10,342,394</u>	 \$ <u>9,841,385</u>	 \$ <u>12,370,189</u>
  \$ (2,961,880)	  \$ (3,504,856)	  \$ (4,509,939)	  \$ (4,352,093)	  \$ (5,294,841)	  \$ (4,453,685)
<u>488,187</u>	<u>(230,613)</u>	<u>(191,028)</u>	<u>644,133</u>	<u>(26,373)</u>	<u>282,606</u>
 \$ <u>(2,473,693)</u>	 \$ <u>(3,735,469)</u>	 \$ <u>(4,700,967)</u>	 \$ <u>(3,707,960)</u>	 \$ <u>(5,321,214)</u>	 \$ <u>(4,171,079)</u>

**City of Port Wentworth, Georgia**  
**Changes in Net Position – Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

<i>Fiscal year ended June 30,</i>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>GENERAL REVENUES AND OTHER</b>				
<b>CHANGES IN NET POSITION</b>				
Governmental activities				
Property taxes levied for general purposes	\$ 1,892,546	\$ 1,985,150	\$ 2,137,730	\$ 2,417,026
Sales taxes levied for general purposes	1,047,670	1,195,077	1,536,698	1,650,713
Selective sales and use taxes	785,188	833,058	882,654	1,044,873
Business taxes	344,275	357,172	358,333	375,991
Contributions not restricted to specific programs	-	-	-	-
Unrestricted investment earnings	13,071	13,196	11,766	15,954
Gain on disposition of capital assets	15,840	59,633	-	-
Miscellaneous income	29,612	26,008	27,153	66,840
Special item	-	-	-	-
Transfers	(1,509,551)	(285,952)	(70,696)	(1,943,858)
Total governmental activities	2,618,651	4,183,342	4,883,638	3,627,539
Business-type activities – water and sewer				
Unrestricted investment earnings	17,903	13,474	14,438	17,087
Gain on disposition of capital assets	-	10,463	-	-
Miscellaneous income	83,841	77,601	76,568	84,645
Transfers	1,509,551	285,952	70,696	1,943,858
Total business-type activities	1,611,295	387,490	161,702	2,045,590
Total primary government	\$ 4,229,946	\$ 4,570,832	\$ 5,045,340	\$ 5,673,129
<b>CHANGE IN NET POSITION</b>				
Governmental activities	\$ (499,329)	\$ 1,432,037	\$ 2,172,847	\$ 1,360,618
Business-type activities	1,247,140	(9,351)	992,826	1,898,177
Total primary government	\$ 747,811	\$ 1,422,686	\$ 3,165,673	\$ 3,258,795



# City of Port Wentworth, Georgia

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

	2016		2017		2018		2019		2020		2021
\$	2,498,357	\$	2,656,996	\$	2,654,232	\$	2,793,069	\$	2,970,095	\$	3,137,620
	1,623,704		1,708,494		1,807,387		1,986,251		1,905,373		2,216,865
	1,101,673		1,194,761		1,176,980		1,165,574		924,531		1,121,841
	404,683		452,408		463,214		513,360		543,057		597,958
	-		-		-		-		-		-
	24,434		51,568		103,972		164,616		120,464		14,368
	-		1,750		110,221		29,943		15,350		71,417
	108,563		171,806		85,552		84,750		19,896		17,877
	-		-		-		-		-		-
	(217,267)		-		-		-		-		-
	5,544,147		6,237,783		6,401,558		6,737,563		6,498,766		7,177,946
	15,969		28,753		32,098		38,145		34,849		10,770
	-		-		-		-		-		-
	81,061		110,552		82,503		104,872		116,912		110,877
	217,267		-		-		-		-		-
	314,297		139,305		114,601		143,017		151,761		121,647
\$	5,858,444	\$	6,377,088	\$	6,516,159	\$	6,880,580	\$	6,650,527	\$	7,299,593
	2,582,267		2,732,927		1,891,619		2,385,470		1,203,925		2,724,261
	802,484		(91,308)		(76,427)		787,150		125,388		404,253
\$	3,384,751	\$	2,641,619	\$	1,815,192	\$	3,172,620	\$	1,329,313	\$	3,128,514



# City of Port Wentworth, Georgia

## Fund Balances, Governmental Funds – Last Ten Fiscal Years

### (Modified Accrual Basis of Accounting)

<i>Fiscal year ended June 30,</i>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>GENERAL FUND</b>					
Nonspendable					
Prepaid items	\$ 159,985	\$ 152,342	\$ 164,344	\$ 162,343	\$ 170,596
Assigned					
Capital asset replacement	752,001	655,746	617,092	619,096	498,436
Subsequent year's budget	458,306	88,716	277,901	1,694,853	867,592
Unassigned	<u>5,766,602</u>	<u>7,291,745</u>	<u>8,709,129</u>	<u>9,389,661</u>	<u>11,693,257</u>
Total General Fund	<u>\$ 7,136,894</u>	<u>\$ 8,188,549</u>	<u>\$ 9,768,466</u>	<u>\$ 11,865,953</u>	<u>\$ 13,229,881</u>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>					
Restricted					
Capital projects funds	\$ 2,757,174	\$ 2,708,001	\$ 3,197,301	\$ 2,113,761	\$ 2,926,624
Confiscated assets funds	<u>22,536</u>	<u>23,951</u>	<u>4,527</u>	<u>3,446</u>	<u>48,811</u>
Total all other governmental funds	<u>\$ 2,779,710</u>	<u>\$ 2,731,952</u>	<u>\$ 3,201,828</u>	<u>\$ 2,117,207</u>	<u>\$ 2,975,435</u>
 <i>Fiscal year ended June 30,</i>	 <u>2017</u>	 <u>2018</u>	 <u>2019</u>	 <u>2020</u>	 <u>2021</u>
				<b>Restated</b>	
<b>GENERAL FUND</b>					
Nonspendable					
Prepaid items	\$ 210,781	\$ 47,880	\$ 126,355	\$ 371,118	\$ 60,618
Assigned					
Capital asset replacement	503,686	505,706	522,271	524,023	524,501
Subsequent year's budget	1,600,950	1,652,509	203,388	1,153,673	1,114,953
Unassigned	<u>11,774,380</u>	<u>11,963,324</u>	<u>14,729,700</u>	<u>13,731,036</u>	<u>14,727,347</u>
Total General Fund	<u>\$ 14,089,797</u>	<u>\$ 14,169,419</u>	<u>\$ 15,581,714</u>	<u>\$ 15,779,850</u>	<u>\$ 16,427,419</u>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>					
Restricted					
Capital projects funds	\$ 3,055,408	\$ 4,195,436	\$ 3,801,265	\$ 2,546,666	\$ 3,539,060
Hotel Motel funds	-	-	-	-	192,578
Confiscated assets funds	<u>2,300</u>	<u>26,860</u>	<u>22,583</u>	<u>4,827</u>	<u>4,947</u>
Total all other governmental funds	<u>\$ 3,057,708</u>	<u>\$ 4,222,296</u>	<u>\$ 3,823,848</u>	<u>\$ 2,551,493</u>	<u>\$ 3,736,585</u>

**NOTE:** The City of Port Wentworth implemented GASB 84 for the fiscal year ended June 30, 2021.

# City of Port Wentworth, Georgia

## Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years

### (Modified Accrual Basis of Accounting)

<i>Fiscal year ended June 30,</i>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>REVENUES</b>				
Sales tax	\$ 1,047,670	\$ 1,195,077	\$ 1,536,698	\$ 1,650,713
Other taxes	3,027,413	3,182,601	3,436,638	3,866,502
Licenses and permits	129,921	145,103	225,523	193,111
Revenue from other governmental units	720,916	813,260	701,206	1,047,724
Charges for services	1,049,629	1,219,463	1,255,770	1,294,050
Fines and forfeitures	812,873	703,265	813,268	1,288,390
Miscellaneous	39,139	40,484	46,730	73,776
Total revenue	<u>6,827,561</u>	<u>7,299,253</u>	<u>8,015,833</u>	<u>9,414,266</u>
<b>EXPENDITURES</b>				
Current				
General government	490,693	524,294	524,475	604,937
Judiciary	147,739	115,971	137,515	147,796
Public safety	2,885,772	2,748,663	2,809,182	2,676,000
Public works	1,162,708	1,474,231	1,438,783	1,920,379
Culture and recreation	321,510	401,379	507,690	484,626
Housing and development	248,644	201,704	144,477	150,319
Intergovernmental assistance	332,272	346,489	333,222	401,602
Capital outlay	164,332	450,768	70,696	2,031,951
Debt service				
Principal	34,779	237,674	-	-
Interest	10,163	9,931	-	-
Total expenditures	<u>5,798,612</u>	<u>6,511,104</u>	<u>5,966,040</u>	<u>8,417,610</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,028,949</u>	<u>788,149</u>	<u>2,049,793</u>	<u>996,656</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	15,840	371,165	-	-
Capital leases	-	-	-	-
Transfers in	291,719	310,039	333,384	401,808
Transfers out	(1,641,929)	(469,489)	(333,384)	(401,808)
Insurance recoveries	7,939	4,033	-	16,210
Long term issuance of debt	-	-	-	-
Total other financing (uses) sources	<u>(1,326,431)</u>	<u>215,748</u>	<u>-</u>	<u>16,210</u>
Net change in fund balances	\$ <u>(297,482)</u>	\$ <u>1,003,897</u>	\$ <u>2,049,793</u>	\$ <u>1,012,866</u>
Debt service as a percentage of non-capital expenditures	0.74%	4.57%	0.00%	0.00%

# City of Port Wentworth, Georgia

## Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years

### (Modified Accrual Basis of Accounting)

	2016	2017	2018	2019	2020	2021
\$	1,623,704	\$ 1,708,494	\$ 1,807,387	\$ 1,986,251	\$ 1,905,373	\$ 2,216,865
	4,005,208	4,306,907	4,298,031	4,475,498	4,406,815	4,856,971
	267,807	183,783	237,838	377,429	439,427	537,048
	1,219,179	1,776,475	1,371,743	1,631,040	941,170	2,453,509
	1,421,776	1,528,625	1,601,632	1,722,797	1,904,843	2,072,608
	1,126,326	1,001,273	1,175,742	1,454,170	1,654,808	2,118,568
	109,062	176,631	290,938	266,234	151,082	33,903
	<u>9,773,062</u>	<u>10,682,188</u>	<u>10,783,311</u>	<u>11,913,419</u>	<u>11,406,518</u>	<u>14,289,472</u>
	617,328	630,250	781,951	3,149,617	1,510,460	1,116,827
	181,709	197,842	215,131	236,924	217,668	663,611
	3,125,259	4,591,347	5,398,434	5,308,910	5,311,548	6,305,250
	2,020,697	2,294,638	2,543,064	1,308,331	1,373,029	1,640,162
	564,132	616,920	866,871	679,121	565,726	549,511
	359,926	253,370	286,177	677,404	612,880	720,003
	418,573	468,670	460,240	449,640	317,292	196,763
	292,100	1,036,322	90,684	1,741,832	2,082,669	836,081
	-	145,554	247,134	395,129	413,090	421,377
	-	5,577	28,375	49,615	105,163	93,493
	<u>7,579,724</u>	<u>10,240,490</u>	<u>10,918,061</u>	<u>13,996,523</u>	<u>12,509,525</u>	<u>12,543,078</u>
	<u>2,193,338</u>	<u>441,698</u>	<u>(134,750)</u>	<u>(2,083,104)</u>	<u>(1,103,007)</u>	<u>1,746,394</u>
	-	1,750	18,500	36,951	15,350	85,234
	-	441,868	1,258,928	560,000	-	-
	418,740	468,857	460,424	449,854	317,421	402,268
	(418,740)	(468,857)	(460,424)	(449,854)	(317,421)	(402,268)
	28,818	56,873	101,532	-	-	1,033
	-	-	-	2,500,000	-	-
	<u>28,818</u>	<u>500,491</u>	<u>1,378,960</u>	<u>3,096,951</u>	<u>15,350</u>	<u>86,267</u>
\$	<u>2,222,156</u>	<u>\$ 942,189</u>	<u>\$ 1,244,210</u>	<u>\$ 1,013,847</u>	<u>\$ (1,087,657)</u>	<u>\$ 1,832,661</u>
	0.00%	2.07%	3.41%	4.98%	5.48%	4.84%

# 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 Tax	Utility & Cablevision Franchise Fees	Annual Totals
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
2015	1,728,076	1,650,713	375,991	225,844	803,357	733,234	5,517,215
2016	1,764,914	1,623,704	404,683	226,892	837,311	771,408	5,628,912
2017	1,932,764	1,708,494	452,408	223,770	937,517	760,448	6,015,401
2018	1,930,601	1,807,387	463,214	217,995	920,656	765,565	6,105,418
2019	1,994,103	1,986,251	513,360	229,081	899,458	839,496	6,461,749
2020	2,137,550	1,905,373	543,057	255,987	634,712	838,509	6,315,188
2021	2,374,297	2,216,865	597,958	280,769	791,601	812,346	7,073,836

**SOURCE:** City records

**NOTE:** Tables includes General Fund and special revenue - hotel/motel tax funds.



# City of Port Wentworth, Georgia

## Assessed Value and Actual Value of Taxable Property

### Last Ten Calendar Years

Year	Real Property		Personal Property		Utilities and Other Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2011	\$ 257,276,653	\$ 643,191,633	\$ 96,236,643	\$ 240,591,608	\$ 5,958,029	\$ 14,895,073
2012	266,262,822	665,657,055	77,872,191	194,680,478	9,316,066	23,290,165
2013	283,724,072	709,310,180	75,341,990	188,354,975	9,246,282	23,115,705
2014	261,920,824	654,802,060	82,829,831	207,074,578	10,119,389	25,298,472
2015	281,652,765	704,131,913	85,369,603	213,424,008	11,114,168	27,785,419
2016	307,916,506	769,791,265	93,876,694	234,691,735	12,032,097	30,080,243
2017	342,927,156	857,317,890	85,946,140	214,865,350	14,781,559	36,953,897
2018	351,466,530	878,666,325	71,622,106	179,055,265	16,827,345	42,068,362
2019	388,761,842	971,904,605	89,535,446	223,838,615	13,707,836	34,269,589
2020	421,276,160	1,053,190,400	93,802,642	234,506,605	14,689,578	36,723,944

**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

## Assessed Value and Actual Value of Taxable Property

### Last Ten Calendar Years

		Total		Ratio of Total Assessed to Total Estimated Value	Total Direct Tax Rate
		Assessed Value	Estimated Actual Value		
\$	359,471,325	\$	898,678,314	40.00%	4.397
	353,451,079		883,627,698	40.00%	4.397
	368,312,344		920,780,860	40.00%	4.397
	354,870,044		887,175,110	40.00%	4.711
	378,136,536		945,341,340	40.00%	4.571
	413,825,297		1,034,563,243	40.00%	4.571
	443,654,855		1,109,137,137	40.00%	4.571
	439,915,981		1,099,789,953	40.00%	4.571
	492,005,124		1,230,012,809	40.00%	4.160
	529,768,380		1,324,420,950	40.00%	4.160

# City of Port Wentworth, Georgia

## Direct and Overlapping Property Tax Rates

### Last Ten Calendar Years

*(Rate per \$1,000 of assessed value)*

Tax Year	Direct	Overlapping Rates			Total
	City	School District	County	State	
2011	4.397	14.631	11.109	0.250	30.387
2012	4.397	14.631	11.109	0.200	30.337
2013	4.397	15.881	11.908	0.150	32.336
2014	4.711	15.881	11.543	0.100	32.235
2015	4.571	16.631	11.543	0.050	32.795
2016	4.571	16.631	11.543	0.000	32.745
2017	4.571	16.631	11.543	0.000	32.745
2018	4.571	18.881	11.543	0.000	34.995
2019	4.160	18.881	11.543	0.000	34.584
2020	4.160	18.881	11.543	0.000	34.584

**SOURCE:** Chatham County Commission – Board minutes and City records.

# City of Port Wentworth, Georgia

## Principal Property Taxpayers Current and Nine Calendar Years Ago

	2021			2011		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Duke Realty Limited Partnership	\$ 64,537,300	1	12.18%	\$		
E&E CO LTD/OA Logistics	21,590,113	2	4.08%			
Rice Hope – CJ LLC	15,389,080	3	2.90%			
Ardmore Port Wentworth LLC	14,595,560	4	2.76%			
Georgia Power Company	10,832,321	5	2.04%			
RC Residential LLC	10,499,058	6	1.98%			
Chatham-Coldbrook Associates	9,745,600	7	1.84%			
Publix Super Markets Inc.	6,435,695	8	1.21%			
Crescent Investments Inc.	5,666,702	9	1.07%			
MCRT3 Savannah LLC	3,837,160	10	0.72%			
VRH Land Development				7,937,000	1	3.24%
Savannah Land Investors, LLC				7,885,072	2	3.22%
SPG Northbrook, LLC				6,593,400	3	2.69%
BLS Development, Inc.				6,065,616	4	2.48%
Fred Williams Homebuilders, Inc.				6,004,752	5	2.45%
Savannah Industrial 1, LLC				4,845,200	6	1.98%
Savannah West, LLC				4,565,200	7	1.86%
Sam L. Varnedoe, Jr., et al				3,602,800	8	1.47%
Port Wentworth Retail Investor				3,573,600	9	1.46%
Caran Enterprises, LLC				3,465,600	10	1.41%
Total	\$ 163,128,589		30.78%	\$ 54,538,240		22.26%

**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 Calendar Years

Year	Total Tax Levy	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
2011	\$ 1,376,995	\$ (186,471)	\$ 1,190,524	\$ 1,145,986	83.23%	\$ 44,375	\$ 1,190,361	99.99%
2012	1,304,068	(51,795)	1,252,273	1,240,565	95.13%	11,540	1,252,105	99.99%
2013	1,387,660	(92,060)	1,295,600	1,287,127	92.76%	8,303	1,295,430	99.99%
2014	1,465,355	(21,695)	1,443,660	1,438,983	98.20%	4,454	1,443,437	99.99%
2015	1,547,382	(18,023)	1,529,359	1,473,984	95.26%	54,958	1,528,942	99.99%
2016	1,707,563	(80,312)	1,627,251	1,654,368	96.89%	(27,656)	1,626,712	99.97%
2017	1,806,293	(57,615)	1,748,678	1,735,756	96.10%	-	1,735,756	99.27%
2018	1,790,233	(68,589)	1,721,644	1,716,455	95.88%	-	1,716,455	99.70%
2019	1,830,010	(48,607)	1,781,403	1,764,830	96.44%	-	1,764,830	99.07%
2020	1,956,854	(100,461)	1,856,393	1,820,040	93.01%	-	1,820,040	98.04%

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

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

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

# City of Port Wentworth, Georgia

## Ratios of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities				Total Primary Government	Per Capita
	Capital Leases	Notes	Total	Water & Sewer Notes	Capital Leases	Total				
2012	\$ 237,674	\$ -	\$ 237,674	\$ 4,829,284	\$ -	\$ 4,829,284	\$	\$	5,066,958	921
2013	-	-	-	4,656,110	-	4,656,110			4,656,110	716
2014	-	-	-	4,498,328	-	4,498,328			4,498,328	692
2015	-	-	-	5,506,301	-	5,506,301			5,506,301	787
2016	-	-	-	6,088,698	-	6,088,698			6,088,698	812
2017	296,314	-	296,314	5,833,629	-	5,833,629			6,129,943	766
2018	1,308,108	-	1,308,108	5,030,902	37,372	5,068,274			6,376,382	797
2019	1,487,157	2,481,597	3,968,754	4,896,540	24,928	4,921,468			8,890,222	1,111
2020	1,297,686	2,257,754	3,555,440	4,758,199	12,066	4,770,265			8,325,705	925
2021	1,105,701	2,028,362	3,134,063	4,615,798	-	4,615,798			7,749,861	775

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

**NOTE 2:** Per Capita ratios are calculated using personal income and population for the 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		
2012	\$ -	\$ -	\$ -	0.00%	-
2013	-	-	-	0.00%	-
2014	-	-	-	0.00%	-
2015	-	-	-	0.00%	-
2016	-	-	-	0.00%	-
2017	-	-	-	0.00%	-
2018	-	-	-	0.00%	-
2019	-	-	-	0.00%	-
2020	-	-	-	0.00%	-
2021	-	-	-	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, 2021

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>(1)</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping debt repaid with property taxes:			
Chatham County, Georgia			
DSA Union Mission Series 2009	\$ 1,330,000	3.32%	\$ 44,202
DSA Chatham County Projects Series 2014	4,785,000	3.32%	159,026
DSA Judicial Complex Project Series 2020	67,415,000	3.32%	2,240,486
Overlapping other debt:			
Chatham County capital leases	787,008	3.68%	28,992
Chatham-Savannah School Board capital leases	<u>6,305,773</u>	<u>1.71%</u>	<u>107,624</u>
Subtotal, overlapping debt			2,580,330
City of Port Wentworth direct debt			<u>3,134,063</u>
Total direct and overlapping debt			\$ <u>5,714,393</u>

**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.

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

# City of Port Wentworth, Georgia

## Legal Debt Margin Information

### Last Ten Calendar Years

	Calendar Year				
	2011	2012	2013	2014	2015
Total assessed value of taxable property	\$ 359,471,325	\$ 353,451,079	\$ 368,312,344	\$ 354,870,044	\$ 378,136,536
Less exemption for bond purposes	-	-	-	-	-
Net assessed value for bond purposes	<u>\$ 359,471,325</u>	<u>\$ 353,451,079</u>	<u>\$ 368,312,344</u>	<u>\$ 354,870,044</u>	<u>\$ 378,136,536</u>
Debt limit percentage	10%	10%	10%	10%	10%
Debt limit	\$ 35,947,133	\$ 35,345,108	\$ 36,831,234	\$ 35,487,004	\$ 37,813,654
Total net debt applicable to limit general obligation bonds	-	-	-	-	-
Legal debt margin	<u>\$ 35,947,133</u>	<u>\$ 35,345,108</u>	<u>\$ 36,831,234</u>	<u>\$ 35,487,004</u>	<u>\$ 37,813,654</u>
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				
	2016	2017	2018	2019	2020
Total assessed value of taxable property	\$ 413,825,297	\$ 443,654,855	\$ 439,915,981	\$ 492,005,124	\$ 529,768,380
Less exemption for bond purposes	-	-	-	-	-
Net assessed value for bond purposes	<u>\$ 413,825,297</u>	<u>\$ 443,654,855</u>	<u>\$ 439,915,981</u>	<u>\$ 492,005,124</u>	<u>\$ 529,768,380</u>
Debt limit percentage	10%	10%	10%	10%	10%
Debt limit	\$ 41,382,530	\$ 44,365,486	\$ 43,991,598	\$ 49,200,512	\$ 52,976,838
Total net debt applicable to limit general obligation bonds	-	-	-	-	-
Legal debt margin	<u>\$ 41,382,530</u>	<u>\$ 44,365,486</u>	<u>\$ 43,991,598</u>	<u>\$ 49,200,512</u>	<u>\$ 52,976,838</u>
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 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 Digest.



# City of Port Wentworth, Georgia

## Demographic and Economic Statistics

### Last Ten Calendar Years

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Year	Population in Thousands <sup>(1)</sup>	Personal Income <sup>(1)</sup>	Per Capita Personal Income <sup>(2)</sup>	Unemployment Rate <sup>(3)</sup>
2011	5	112,860,000	20,520	9.2%
2012	6	164,417,500	25,295	9.5%
2013	6	174,466,500	26,841	8.7%
2014	7	199,150,000	28,450	7.3%
2015	7	217,927,500	29,057	6.3%
2016	8	275,624,000	34,453	5.0%
2017	9	272,352,000	34,044	4.6%
2018	9	342,232,000	42,779	3.8%
2019	10	342,612,000	38,068	3.5%
2020	11	368,200,000	36,820	4.5%

**SOURCES:**

<sup>(1)</sup> Chamber of Commerce, Metropolitan Planning Commission and U.S. Census.

<sup>(2)</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented.

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

# City of Port Wentworth, Georgia

## Principal Employers Current and Ten Calendar Years Ago

	2020			2011		
	Employees	Rank	Percentage of Total Metro Area Employment	Employees	Rank	Percentage of Total Metro Area Employment
Gulfstream Aerospace Corp.	11,391	1	5.93%	6,500	1	5.42%
Savannah-Chatham Co. Bd. of Ed.	5,700	2	2.97%	4,600	4	3.84%
Memorial Health	4,400	3	2.29%	4,643	3	3.87%
St. Joseph's/Candler Health Sys.	4,071	4	2.12%	3,170	5	2.64%
Ft. Stewart/Hunter Army Airfield	3,299	5	1.72%	4,719	2	3.93%
Georgia Southern University	2,901	6	1.51%	-	-	-
City of Savannah	2,205	7	1.15%	2,500	7	2.08%
Chatham County	2,136	8	1.11%	1,500	9	1.25%
YMCA of Coastal Georgia	1,987	9	1.03%	-	-	-
Savannah College of Art & Design	1,814	10	.94%	1,750	8	1.46%
Wal-Mart Stores, Inc.	-	-	-	2,935	6	2.45%
Georgia pacific	-	-	-	1,200	10	1.00%
	<u>39,904</u>		<u>20.77%</u>	<u>33,517</u>		<u>27.94%</u>

**SOURCE:** Savannah Area Chamber of Commerce and Georgia Department of Labor. The data is calendar-year based and 2020 is the latest data available.

# 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,				
	2012	2013	2014	2015	2016
General government	3	4	4	5	5
Judiciary	3	2	2	2	2
Legislative	7	6	6	6	6
Protective inspections	1	1	1	1	1
Public safety	31	34	30	35	41
Public works	4	2	3	2	3
Culture and recreation	3	3	3	7	10
Water and sewer services	7	7	11	7	10
Total	59	59	60	65	78

Function/Program	Full-time and Part-time City Employees as of June 30,				
	2017	2018	2019	2020	2021
General government	4	2	7	6	5
Judiciary	4	2	2	2	2
Legislative	6	6	6	6	5
Protective inspections	2	2	3	3	4
Public safety	44	45	56	56	71
Public works	3	2	0	0	0
Culture and recreation	13	15	19	8	8
Water and sewer services	10	12	0	1	2
Total	86	86	93	82	97

**SOURCES:** City Records.

# City of Port Wentworth, Georgia

## Operating Indicators by Function

### Last Ten Fiscal Years

	Fiscal Year				
	2012	2013	2014	2015	2016
<b>Police</b>					
Arrests	1,063	1,261	1,282	1,344	1,207
<b>Fire</b>					
Number of emergency calls	812	994	1,084	1,209	1,263
Inspections	245	246	248	254	265
<b>Public works</b>					
Street resurfacing (miles)	< 1	1	2	2.25	< 1
<b>Parks and recreation</b>					
Number of facility rentals	296	346	335	377	365
<b>Water</b>					
New connections	389	418	178	138	133
Average daily water use (thousands of gallons)	353	444	388	441	921
<b>Sewer</b>					
New connections	389	418	178	138	133
Average daily sewage treatment (thousands of gallons)	458	600	757	822	825
	Fiscal Year				
	2017	2018	2019	2020	2021
<b>Police</b>					
Arrests	1,227	1,346	1,252	1,024	956
<b>Fire</b>					
Number of emergency calls	1,329	1,362	1,550	1,496	1,866
Inspections	271	271	280	340	295
<b>Public works</b>					
Street resurfacing (miles)	< 1	0	<1	1.72	0
<b>Parks and recreation</b>					
Number of facility rentals	398	364	350	231	153
<b>Water</b>					
New connections	63	59	120	145	117
Average daily water use (thousands of gallons)	700	927	943	1,088	1,001
<b>Sewer</b>					
New connections	63	59	120	145	117
Average daily sewage treatment (thousands of gallons)	800	800	900	1,203	1,071

**SOURCES:** City Records.

N/A - not applicable. The City's wastewater was treated by a contractor until 2012.

# City of Port Wentworth, Georgia

## Capital Asset Statistics by Function

### Last Ten Fiscal Years

	Fiscal Year				
	2012	2013	2014	2015	2016
<b>Police</b>					
Stations	1	1	1	1	1
<b>Fire</b>					
Stations	2	2	2	2	2
<b>Public works</b>					
Streets (miles)	51	51	52	54	54
Streetlights	886	886	886	886	906
Traffic signals	10	10	10	11	11
<b>Parks and recreation</b>					
Parks	5	5	5	5	5
Community centers	4	4	4	4	4
<b>Water</b>					
Water mains (miles)	46	46	51	51	51
Maximum daily capacity (thousands of gallons)	2,600	2,600	3,100	3,100	3,100
<b>Sewer</b>					
Sanitary sewers (miles)	46	46	51	51	51
Maximum daily treatment capacity (millions of gallons)	N/A	4	4	4	4
	Fiscal Year				
	2017	2018	2019	2020	2021
<b>Police</b>					
Stations	1	1	1	1	1
<b>Fire</b>					
Stations	2	2	2	2	2
<b>Public works</b>					
Streets (miles)	54	54	54	55	55
Streetlights	906	906	906	1,010	1,031
Traffic signals	11	11	13	13	16
<b>Parks and recreation</b>					
Parks	5	5	5	5	6
Community centers	4	4	3	3	3
<b>Water</b>					
Water mains (miles)	51	51	51	52	53
Maximum daily capacity (thousands of gallons)	3,100	3,100	3,100	3,100	3,100
<b>Sewer</b>					
Sanitary sewers (miles)	51	51	51	52	53
Maximum daily treatment capacity (millions of gallons)	4	4	2	2	2

**SOURCES:** City Records and Georgia Department of Transportation, Office of Transportation.

N/A - not applicable. The City's wastewater was treated by a contractor until 2012.



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Port Wentworth, Georgia (the "City"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 22, 2021.

**Internal Control Over Financial Reporting**

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

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

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

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**Compliance and Other Matters**

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

**Purpose of this Report**

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

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The script is cursive and fluid, with the ampersand being a simple cross.

Savannah, Georgia  
December 22, 2021



# CITY OF PORT WENTWORTH, GEORGIA

## SCHEDULE OF FINDINGS AND RESPONSES FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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### SECTION I SUMMARY OF AUDIT RESULTS

#### **Financial Statements**

Type of auditor's report issued

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

\_\_\_ Yes  X  No

Significant deficiencies identified not considered  
to be material weaknesses?

\_\_\_ Yes  X  None Reported

Noncompliance material to financial statements noted?

\_\_\_ Yes  X  No

#### **Federal Awards**

There was not an audit of major federal award programs as of June 30, 2021 due to the total amount expended being less than \$750,000.

### SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

### SECTION III FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Not applicable.

### SECTION IV STATUS OF PRIOR YEAR AUDIT FINDINGS

None reported.