

CITY OF PORT WENTWORTH, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

PREPARED BY
City Finance Department

CITY OF PORT WENTWORTH, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

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INTRODUCTORY SECTION



CITY OF PORT WENTWORTH Georgia

7224 GA Highway 21 | Port Wentworth, Georgia 31407

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

www.cityofportwentworth.com

June 11, 2026

ELECTED OFFICIALS

MAYOR

Tracy Saunders

COUNCIL MEMBERS

Gabrielle Nelson, District 1

Mark Stephens, District 2

Rufus Bright, District 3

Shawn Randerwala, District 4

Thomas Barbee, At-Large P1

Artlise Alston-Cone, At-Large P2

Zahnay Smiley, Clerk of Council

MANAGER

Steve Davis, MPA, CPM

ASSISTANT CITY MANAGER

Thomas J. Kilmartin, MBA, MSS

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

I am pleased to submit the Annual Comprehensive Financial Report (“ACFR”) of the City of Port Wentworth, Georgia (the “City”), for the fiscal year ended June 30, 2025. The purpose of this report is to provide the Mayor, City Council, management, staff, citizens, and other stakeholders with detailed information regarding the City's financial condition and operating results.

State law and local ordinances require that every general-purpose local government publish a complete set of audited financial statements annually. This report has been prepared in accordance with applicable state statutes and auditing standards that establish uniform financial reporting requirements for municipalities and counties within the State of Georgia. Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City.

We believe the information presented is accurate in all material respects and fairly reflects the financial position and results of operations of the City. Furthermore, we believe all disclosures necessary to enable the reader to gain an understanding of the City's financial affairs have been included.

The ACFR is organized into four major sections: Introductory, Financial, Statistical, and Compliance. The Introductory Section contains this Letter of Transmittal, a List of Principal Officials, an Organizational Chart, and the Certificate of Achievement for Excellence in Financial Reporting. The Financial Section contains the Independent Auditor's Report, Management's Discussion and Analysis (“MD&A”), and the Basic Financial Statements, including Government-wide and Fund Financial Statements. The Statistical Section presents comparative economic and financial information to provide readers with a broader perspective of the City's financial trends over time. The Compliance Section includes reports on internal control over financial reporting, compliance with applicable laws and regulations, and Schedule of Findings and Questioned Costs.

Generally Accepted Accounting Principles (“GAAP”) require management to provide a narrative overview and analysis of financial activities through the MD&A section. Since the implementation of Governmental Accounting Standards Board (“GASB”) Statement No. 34, the MD&A has become an important tool for communicating a government's financial position, operations, and long-term outlook. This letter is intended to complement the MD&A and should be read in conjunction with that section.

The City's financial statements have been audited by Mauldin & Jenkins, LLC, Certified Public Accountants. The purpose of the independent audit is to provide reasonable assurance that the City's financial statements are free from material misstatement. An audit includes examining evidence supporting the amounts and disclosures contained in the financial statements, assessing accounting principles used, and evaluating significant estimates made by management. Based upon their audit, the independent auditors issued an unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2025, are fairly presented in conformity with GAAP.

PROFILE OF THE GOVERNMENT

The City was founded in 1733 and incorporated in 1957. Its history is rooted in the Native American tribes and early settlers of the Georgia colony. Located just minutes from downtown Savannah, the City is rich in history, natural resources, and economic opportunity. Local industry has traditionally included lumber and paper production, rail transportation, shipbuilding, sugar refining, banking, and brick manufacturing, including the production of the well-known Savannah Gray Brick. The City was originally part of several colonial plantations, including Mulberry Grove, where Eli Whitney invented the cotton gin in 1793.

Today, the City's Exit 109 corridor serves as a regional gateway with hotels, restaurants, and hospitality services supporting tourism and business travel. Located approximately eleven miles from Savannah's Historic District, Exit 109 remains one of the closest Interstate 95 access points to Georgia's first city and serves as a convenient lodging location for visitors.

The City continues to rank among the fastest-growing communities in Georgia and the nation. The City currently encompasses approximately 16.12 square miles. According to the U.S. Census Bureau, the population was estimated at 14,865 as of July 1, 2024. As of June 3, 2025, the population was estimated at 17,604, representing an increase of 2,739 residents, or 18.42%, compared to the State of Georgia's estimated growth rate of 1.1%. Current projections indicate the City's population could exceed 20,000 residents by 2030, supported by approximately 3,000 additional housing units expected to be constructed between 2026 and 2029.

The City operates under the Council-Manager form of government. Policy-making and legislative authority are vested in a governing council consisting of the Mayor and six City Council Members representing four districts and two at-large positions. The Mayor and City Council appoint the City Manager and Clerk of Council. The City Manager serves as the Chief Executive Officer and is responsible for the administration of municipal operations, while the Clerk of Council serves as the official custodian of City records.

The City provides a full range of municipal services, including police protection, municipal court operations, fire protection, public works, solid waste collection, water and sewer utilities, wastewater treatment, building inspections, licensing and permitting, planning and zoning, code enforcement, and recreational programs. In accordance with GASB Statement No. 14, all municipal services are included within the City's financial statements. The City has no component units or legally separate entities for which it is financially accountable.

The Mayor and City Council adopt an annual operating budget prior to the beginning of each fiscal year. This budget serves as the foundation for the City's financial planning and control processes. The budget is prepared by fund and department, allowing management to monitor financial performance and adjust operations as necessary. Transfers within and between departments may be authorized by the City Manager, while amendments exceeding original appropriations require approval by the Mayor and City Council.

LOCAL ECONOMY AND MAJOR INITIATIVES

The local economy continued to demonstrate strong growth and stability throughout fiscal year 2025. Sales tax revenues increased due to continued industrial, commercial, and residential development. Tourism-related revenues also experienced growth because of the City's strategic location near Savannah and expansion within the hospitality sector.

Residential development remained robust, including both single-family and multifamily construction. Commercial and industrial investment also continued to expand as population growth drove increased demand for services and infrastructure.

According to data from the U.S. Census Bureau, the median age of the City's residents is 35.5 years. The owner-occupied housing rate is 58.6%, median household income is \$84,179, per capita income is \$34,616, and the median value of owner-occupied housing units is \$228,100.

The employment environment remained favorable throughout the year. As of June 30, 2025, the City's unemployment rate was 2.9%, below both the national average of 4.3% and the State of Georgia average of 3.5%. Major employment sectors include logistics, manufacturing, retail trade, professional services, public administration, education, and healthcare services.

The City participates in tax abatement programs administered by the Savannah Economic Development Authority ("SEDA") pursuant to economic development agreements entered in prior fiscal years. Under these agreements, qualifying businesses receive abatements of ad valorem property taxes in exchange for meeting specified investment and employment commitments intended to promote economic development within Chatham County and the City.

The tax abatements are authorized through agreements between SEDA and participating businesses and are intended to encourage business expansion, capital investment, and job creation within the region. The City's property tax revenues are reduced by the amount of taxes abated under the agreements. Pursuant to the provisions of the Development Authorities Law and related Georgia statutory authority governing development authorities, SEDA is authorized to enter into economic development agreements with private businesses, including arrangements that may result in the abatement of ad valorem property taxes.

For the fiscal year ended June 30, 2025, the City abated property taxes totaling \$449,988 under three tax abatement agreements administered by SEDA.

LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

The City's mission is to deliver cost-efficient municipal services while enhancing the quality of life for residents through safe neighborhoods, quality public spaces, and sustainable community development.

The City continues to maintain a relatively low property tax rate of 5.2160 mills while providing a generous homestead exemption of \$40,000.

As part of its long-term capital improvement strategy, the City continued construction of the new Fire Headquarters and Emergency Operations Center, which is scheduled to open in July 2025. Planning and design activities also continued for the new recreation park complex, "Anchor Park" and the partnership project with the Ghost Pirates hockey organization, which includes twin ice rinks and a 5,200-seat amphitheater.

During fiscal year 2025, the City completed approximately \$15.9 million in capital projects, including roadway improvements, utility infrastructure upgrades, public safety training enhancements, vehicle replacements, and technology investments.

Public safety remained a top priority throughout the year. The Police Department expanded training capabilities through improvements to its firing range and completion of a new technology-based training facility. The Fire Department enhanced equipment, training programs, and inspection services through the addition of a certified Fire Marshal position.

The City also continued investing in parks, recreational facilities, and community programs. Development Services issued record levels of permits for residential, commercial, and industrial construction. Administrative operations continued to modernize through investments in financial systems, technology, communications, and customer service improvements.

FINANCIAL POLICIES AND FUND BALANCES

The City's Financial Management Policy guides the preparation of the annual budget and day-to-day financial operations. The policy establishes standards for internal controls, purchasing, grant management, investment practices, and reserve levels.

During fiscal year 2025, the City continued to advance several significant capital and economic development initiatives designed to support long-term community growth and infrastructure needs. These projects included the Anchor Park development and funding support for the Development Authority's Ice Cove and Amphitheater project. The timing of these investments, combined with delays in planned financing reimbursements, temporarily impacted General Fund liquidity during the fiscal year.

As a result, the General Fund ended fiscal year 2025 with an unassigned fund balance deficit of approximately \$4.7 million, compared to a positive balance of \$6.5 million in the prior year. The deficit primarily reflects the advancement of funds for strategic capital and economic development projects rather than recurring operating shortfalls.

Management has implemented corrective financial measures designed to restore unrestricted fund balance levels while continuing strategic capital investment. These measures include expenditure controls, staffing management, revenue enhancements, grant reimbursements, and planned financing reimbursements. Management anticipates that planned financing proceeds and project reimbursements will substantially improve General Fund liquidity during fiscal year 2026.

Despite the temporary decline in unrestricted fund balance, the City maintained overall financial stability. Proprietary Funds reported unrestricted net position totaling approximately \$17 million, while restricted Special Purpose Local Option Sales Tax (“SPLOST”) capital funds totaled approximately \$6.8 million. The City continues to emphasize strong financial oversight and internal controls to ensure reliable financial reporting and compliance with applicable laws and policies.

To support future growth and infrastructure demands, the City continues to engage in long-term planning initiatives, including transportation, stormwater, redevelopment, wastewater, and strategic planning studies. Significant investments also continue in sidewalks, roadways, wastewater treatment capacity, and stormwater infrastructure.

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 for its ACFR for the fiscal year ended June 30, 2024. This marked the twenty-third consecutive year the City received this prestigious recognition. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting.

The City was also recognized by the Georgia Municipal Association with the City of Civility designation and the City of Ethics award, reflecting its continued commitment to professionalism, ethical governance, and excellence in public service.

Preparation of this report would not have been possible without the professionalism, dedication, and support of the City’s elected officials, management team, and departmental staff. We extend our sincere appreciation to all employees who contributed to the preparation of this report and to the Mayor and City Council for their continued leadership, support, and commitment to sound financial management.

The City remains committed to responsible financial stewardship, strategic infrastructure investment, economic development, and the delivery of high-quality municipal services. Through careful planning, disciplined financial management, and continued investment in the community, the City is well-positioned to meet the opportunities and challenges associated with continued growth while preserving the quality of life enjoyed by its residents.

Sincerely,



Steve Davis
City Manager

CITY OF PORT WENTWORTH, GEORGIA

LIST OF PRINCIPAL OFFICIALS JUNE 30, 2025

ELECTED

Mayor

Gary Norton

City Council

Thomas Barbee	Council Member At Large 1
Artlise Alston-Cone	Council Member At Large 2
Gabrielle Nelson	Council Member District 1 – Mayor Pro Tem
Mark Stephens	Council Member District 2
Rufus Bright	Council Member District 3
Shawn Randerwala	Council Member District 4

APPOINTED

City Manager

Steve Davis

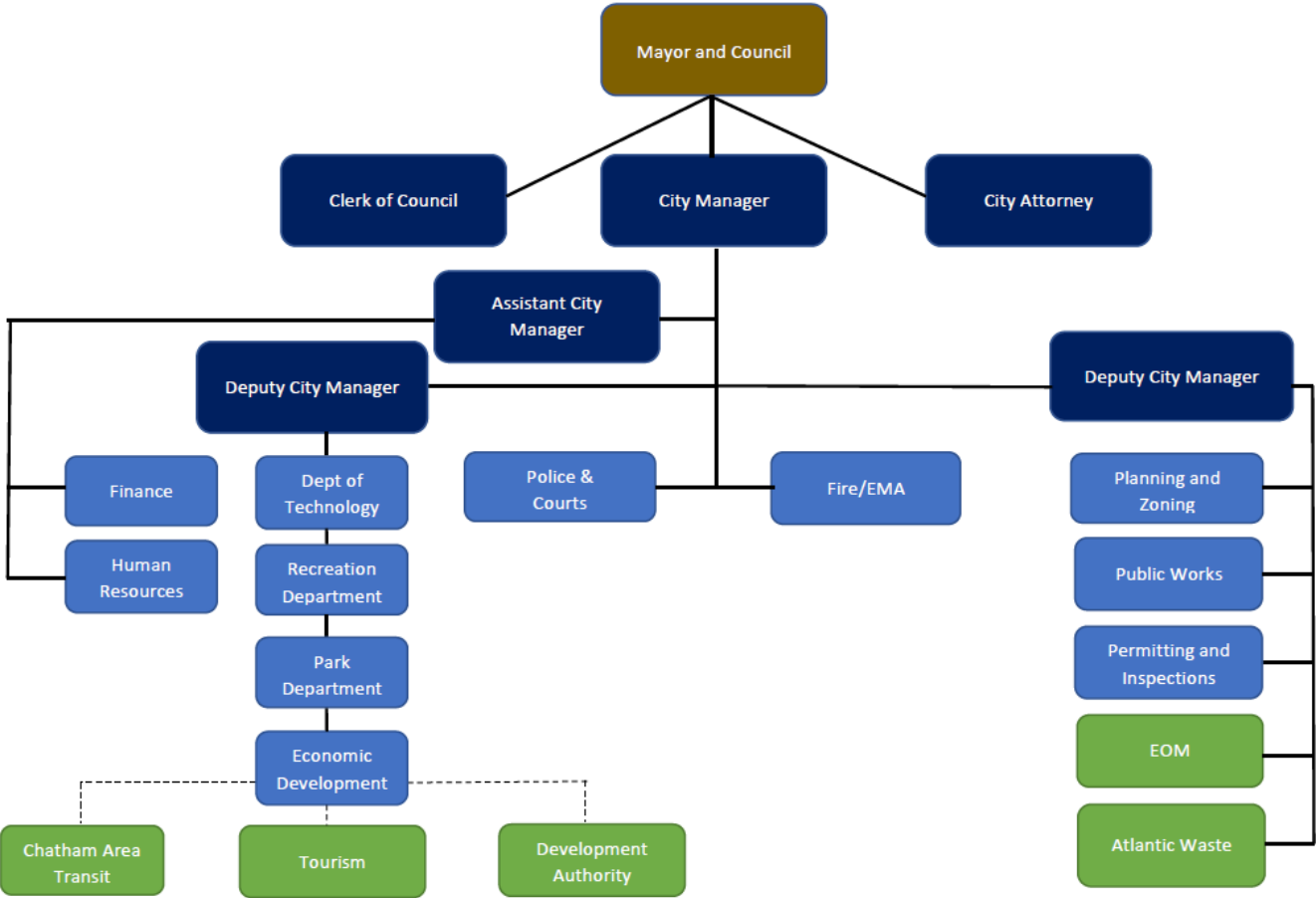
Thomas Kilmartin	Assistant City Manager, Chief Financial Officer
David Stahl	Deputy City Manager
Omar Senati-Martinez	Deputy City Manager
Scott Robichaux	City Attorney
Zahnay Smiley	Clerk of Council
Kerry Thomas	Police Chief
Lance Moore	Fire Chief
James Touchton	Director of Economic Development
Ashley Lanier	Director of Human Resources
Tiffany Lancaster	Director of Recreation
Reginald Bush	Director of Public Works
David Stahl	Director of Technology

CITY OF PORT WENTWORTH, GEORGIA

ORGANIZATIONAL CHART JUNE 30, 2025



City of Port Wentworth



CITY OF PORT WENTWORTH, GEORGIA

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING



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, 2024

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, 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, 2025, and the related notes to financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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



Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, ("MD&A") (on pages 5 through 13), the Budgetary Comparison Schedules for the General Fund and Hotel/Motel Tax Fund (on pages 53 through 56), the Schedule of Changes in the City's Net Pension Liability and Related Ratios (on pages 57 and 58), and the Schedule of City Contributions – Retirement Plan (on page 59), be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2026 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Port Wentworth, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Savannah, Georgia
June 11, 2026

CITY OF PORT WENTWORTH, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2025

This Management's Discussion and Analysis ("MD&A") is designed to assist readers in understanding the City of Port Wentworth's (the "City") basic financial statements for the period ended June 30, 2025, the relationship of different types of statements, and the significant differences in the information they provide. This MD&A is designed to also assist the reader in focusing on significant financial issues, provide an overview of the City's current financial activity and identify changes in the City's financial position. Lastly, the discussion will also identify any material deviations from the approved budget for the fiscal year and identify individual fund issues or concerns. The MD&A is best understood if read in conjunction with the Transmittal Letter and the City's basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City as of June 30, 2025, exceeded its liabilities and deferred inflows, by \$88.6 million (net position). Of this amount, \$27.5 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors. The City's total net position increased by \$7.3 million.
- As of the close of the current fiscal year, the City's governmental funds reported a combined fund balance of \$13.8 million, a decrease of \$11.3 million in comparison with the prior year.
- The City's taxable assessed value of property increased to \$954 million, a 16.5% increase from the previous year, and increased debt ceiling limit to \$94.9 million.
- Construction concluded on the new fire station headquarters and the building was placed in service in July 2025.
- The expansion of City Hall to include 6,700 sq. ft. of additional space began on December 9, 2024 and was completed in December 31, 2025.
- The City negotiated a partnership with the Oak View Group, based in Pennsylvania, to construct a 5,200-seat amphitheater adjoining the Ghost Pirates Hockey Team (East Coast Hockey League ("ECHL")) training facility, negotiated in the previous fiscal year. This combined partnership has a project value of \$54 million, both projected to open in summer of 2026, for year-round use within the City's new recreational and government facility site.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

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

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

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

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

The City adopts an annual appropriated budget for its General Fund and major Special Revenue Funds. A budgetary comparison statement has been provided for the General Fund and major Special Revenue Funds in the Required Supplementary Information section of this report.

The basic governmental fund financial statements can be found on pages 17 through 20 of this report.

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

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

The basic proprietary fund financial statements can be found on pages 21 through 23 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 24 through 52 of this report.

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report presents the budgetary comparison schedules for the City's General Fund and major Special Revenue Funds, the Schedule of Changes in the City's Net Pension Liability and Related Ratios, and the Schedule of City Contributions as Required Supplementary Information and can be found on pages 53 through 59 of this report.

Supplementary Information. The Supplementary Information consists of the nonmajor governmental fund Budgetary Comparison Schedule, the City's SPLOST schedules, and the Schedule of Required Expenditures funded by the hotel/motel tax. The Supplementary Information can be found on pages 60 through 62 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Statistical Section. In addition to the basic financial statements and accompanying notes, this report also presents various supplementary and statistical information, such as, 10-year presentation of revenues, expenditures, and tax rates. This Statistical Section can be found on pages 63 through 81 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets plus deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$88.6 million at the close of the most recent fiscal year. The table below summarizes the City's net position for governmental activities, business-type activities, and the government as a whole.

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
ASSETS						
Current and other assets	\$ 21,681,399	\$ 28,692,574	\$ 22,963,261	\$ 18,730,785	\$ 44,644,660	\$ 47,423,359
Capital assets	47,517,691	32,906,053	21,979,550	22,999,282	69,497,241	55,905,335
Total assets	<u>69,199,090</u>	<u>61,598,627</u>	<u>44,942,811</u>	<u>41,730,067</u>	<u>114,141,901</u>	<u>103,328,694</u>
Deferred outflows of resources	<u>979,257</u>	1,061,238	<u>175,391</u>	98,332	<u>1,154,648</u>	1,159,570
LIABILITIES						
Current liabilities	5,599,452	2,976,884	1,894,646	1,598,847	7,494,098	4,575,731
Long-term liabilities	13,959,200	14,301,464	4,151,603	4,301,912	18,110,803	18,603,376
Total liabilities	<u>19,558,652</u>	<u>17,278,348</u>	<u>6,046,249</u>	5,900,759	<u>25,604,901</u>	<u>23,179,107</u>
Deferred inflows of resources	<u>719,400</u>	-	<u>394,517</u>	66,503	<u>1,113,917</u>	66,503
Net position:						
Net investment in capital assets	35,973,616	19,902,127	17,894,544	18,836,381	53,868,160	38,738,508
Restricted	7,254,089	4,584,086	-	-	7,254,089	4,584,086
Unrestricted	6,672,590	20,895,304	20,782,892	17,024,756	27,455,482	37,920,060
Total net position	<u>\$ 49,900,295</u>	<u>\$ 45,381,517</u>	<u>\$ 38,677,436</u>	<u>\$ 35,861,137</u>	<u>\$ 88,577,731</u>	<u>\$ 81,242,654</u>

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

The largest portion of the City's net position, \$53.9 million (60.8%), reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

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

An additional portion of the City's net position, \$7.3 million (8.2%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$27.5 million (31.0%) is the unrestricted net position that may be used to meet the government's ongoing obligations of the City.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental activities during the fiscal year ended June 30, 2025 increased the City's net position by \$4.5 million (10.0%). Business-type activities during the same period increased the net position by \$2.8 million (7.9%) for a total increase in net position of \$7.3 million (9.0%). The following table shows the revenue and expenses by activity for the total primary government.

City of Port Wentworth – Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program revenues:						
Charges for services	\$ 5,775,451	\$ 3,599,086	\$ 8,073,615	\$ 6,549,607	\$ 13,849,066	\$ 10,148,693
Operating grants and contributions	1,019,716	8,100	-	-	1,019,716	8,100
Capital grants and contributions	4,566,049	2,990,340	4,800,269	2,368,182	9,366,318	5,358,522
General revenues:						
Property taxes	6,346,458	4,657,959	-	-	6,346,458	4,657,959
Sales taxes	4,818,796	4,895,588	-	-	4,818,796	4,895,588
Selective sales and use taxes	2,595,757	2,072,352	-	-	2,595,757	2,072,352
Business taxes	1,221,368	1,159,647	-	-	1,221,368	1,159,647
Unrestricted investment earnings	810,275	1,177,732	763,909	800,173	1,574,184	1,977,905
Gain on sale of capital assets	31,745	76,021	-	-	31,745	76,021
Miscellaneous	522,524	675,505	86,426	117,239	608,950	792,744
Total revenues	27,708,139	21,312,330	13,724,219	9,835,201	41,432,358	31,147,531
Expenses						
Governmental activities:						
General government	1,933,854	2,834,654	-	-	1,933,854	2,834,654
Public safety	11,353,274	10,192,084	-	-	11,353,274	10,192,084
Public works	2,601,692	1,433,406	-	-	2,601,692	1,433,406
Judicial	693,124	557,316	-	-	693,124	557,316
Culture and recreation	1,029,175	2,305,574	-	-	1,029,175	2,305,574
Housing and development	2,175,959	1,386,987	-	-	2,175,959	1,386,987
Interest on long-term debt	528,496	385,994	-	-	528,496	385,994
Business-type activities:						
Water, sewer and sanitation	-	-	11,881,707	9,656,676	11,881,707	9,656,676
Total expenses	20,315,574	19,096,015	11,881,707	9,656,676	32,197,281	28,752,691
Increase in net position before transfers	7,392,565	2,216,315	1,842,512	178,525	9,235,077	2,394,840
Transfers	(973,787)	(981,610)	973,787	981,610	-	-
Special Item	(1,900,000)	-	-	-	(1,900,000)	-
Increase in net position	4,518,778	1,234,705	2,816,299	1,160,135	7,335,077	2,394,840
Net position, beginning of year	45,381,517	44,146,812	35,861,137	34,701,002	81,242,654	78,847,814
Net position, end of year	\$ 49,900,295	\$ 45,381,517	\$ 38,677,436	\$ 35,861,137	\$ 88,577,731	\$ 81,242,654

MANAGEMENT'S DISCUSSION AND ANALYSIS

Changes in Net Position. The City's total revenues before transfers and special items were \$41.4 million in fiscal year 2025. Expenses were \$32.2 million. Governmental and business-type activities combined provided a \$9.2 million increase in net position before transfers and special items. This increase is primarily the result of increased charges for services, operating grants and contributions, capital grants and contributions, and property tax collections during the current year.

Governmental activities revenues, before transfers and special items, were \$27.7 million and included \$5.8 million for charges for services, \$5.6 million for combined grants and contributions, and \$16.3 million in taxes and other revenues. The most significant governmental activities expenses were for public safety of \$11.4 million, public works of \$2.6 million, and housing and development of \$2.2 million.

Business-type activity revenues, before transfers, were \$13.7 million and included \$8.1 million in charges for services and \$4.8 million for capital grants and contributions. The most significant business-type activity expenses were purchased and contracted services of \$5.6 million, supplies of \$3.0 million, and personnel and employment benefits of \$1.8 million.

Revenue Impacts. The most significant revenue changes included capital grants and contributions, property taxes, and operating grants and contributions, which increased 53%, 36%, and 12,489%, respectively. The increase in capital grants and contributions is due to the increase in SPLOST contributions and grant funding related to green space and local maintenance and improvement. The increase in property taxes is the result of an increase in new residential and commercial construction. The increase in operating grants and contributions is directly related to the Georgia Department of Transportation ("GDOT"), Local Maintenance and Improvement Grant/Local Road Assistance ("LMIG/LRA") Grants, Georgia Emergency Management Agency/Federal Emergency Management Agency ("GEMA/FEMA") Hurricane Grants, Green Space Grants and Stormwater Master Plan Grants.

Expense Impacts. The significant expense changes included public works (increased 82%), housing and development (increased 57%), and culture and recreation (decreased 55%). The increases for public works are the result of the comprehensive stormwater master plan costs and declared storm expenses. The increases in housing and development are due to construction growth. Culture and recreation decreased due to the multi-year plan for the development of Anchor Park. Anchor Park is a transformative 165 Acre civic, recreational, and entertainment development constructed by the City. Representing one of the most significant public investment initiatives in Coastal Georgia, the project is designed to function as a regional destination campus integrating professional sports facilities, entertainment venues, youth athletics, hospitality, medical services, and essential civic infrastructure within a single master-planned environment. Park land clearing started in December 2023. At the entrance of the Park is the newly constructed, 18,000 square foot Fire Department Headquarters, a state-of-the-art emergency management facility which opened in July 2025.

Financial Analysis of Governmental Funds

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 Council.

At June 30, 2025, the City's governmental funds reported combined fund balances of \$13,842,877, a decrease of \$11,280,712 in comparison with the prior year. Approximately 34% of this amount, \$(4,699,261), constituted *unassigned fund balance deficit*. The remainder of the fund balance was either *nonspendable*, *restricted*, *committed*, or *assigned* to indicate that it is: 1) not in spendable form, \$5,400,066, 2) legally required to be maintained intact, (none), 3) restricted for particular purposes, \$7,254,089, 4) committed for particular purposes, \$2,239,340, or 5) assigned for particular purposes, \$3,648,643. The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance deficit of the General Fund was \$(4,699,261), while total fund balance decreased to \$6,588,788. 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 deficit represented approximately -13% of total General Fund expenditures, while total fund balance represented approximately 19% of that same amount. The General Fund unrestricted investment revenue decreased \$367 thousand from the previous year of \$1.2 million.

The fund balance of the City's General Fund decreased by \$13,950,715 during the current fiscal year. Increased tax collections and licenses and permits accounted for most of the net increase in revenues and increased public safety and culture and recreation expenditures resulted in the net decrease to fund balance. The fund balance of the Hotel/Motel Tax Fund increased to \$451,953 due to restricted funds held for the promotion of tourism.

The Capital Projects Fund, a major fund, had a \$2,476,702 increase in fund balance during the current fiscal year resulting in an ending restricted fund balance of \$6,775,167. The restriction to fund balance was due to the spending constraints placed on uses of the Special Purpose Local Option Sales Tax ("SPLOST") revenues. The increase in fund balance resulted from SPLOST revenues exceeding SPLOST capital outlays but fall within the scope of the approved public referendum. Major projects incurred in the Capital Projects Fund included vehicle purchases, engineering consulting and costs related to the future recreational facility, and the sewer rehabilitation project.

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, Sewer and Sanitation Enterprise Fund at the end of the year was \$20,782,892 and net position for net investment in capital assets was \$17,894,544. As of June 30, 2025, the Water, Sewer, and Sanitation Enterprise Fund's net position had increased by \$2,816,299. The City's proprietary rate structure has not been adjusted since 2019. The City plans to address the rate structure in fiscal year 2025. The City's growth increased the water, sewer, and sanitation usage charges revenue by \$1,524,008, a combination of residential, industrial and commercial base growth. Also, the positive net position was impacted by the effect of an increase in aid to construction revenue and increased fund maintenance. Unrestricted investment income decreased \$36 thousand from amounts earned in the prior year of \$800 thousand.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2025 totaled \$69,497,241 (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 \$13,591,906 (net of accumulated depreciation). Major capital asset events during the current fiscal year included the following:

- Construction of the new fire station headquarters
- Site improvements to the future Anchor Park
- Expansion of City Hall to accommodate Administrative, Finance, Human Resources and Development Services offices
- Purchase of three homes and demolition to convert to green space
- Police, Fire, and Public Works vehicle purchases
- Public safety training equipment upgrades
- Della Steele Park improvements
- Improvements to water, sewer and wastewater treatment facility equipment

Additional information on the City's capital assets can be found in note 4 of the basic financial statements.

Debt. The City's debt consists of financed purchases, notes payable, leases, and Subscription-Based Information Technology Arrangements ("SBITAs"). Detailed information regarding the City's long-term debt can be found in note 5 of the basic financial statements.

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 20, 2024, for the fiscal year ended June 30, 2025. During the year, there were projected revenue increases and expenditure decreases between the original and final amended budget. There was a net fund balance decrease of \$13.9 million. The budgetary comparison schedule of the General Fund provided as Required Supplementary Information other than MD&A can be found beginning on page 53.

Final budget compared to actual results. Total revenues fell short of final budgeted amounts by approximately \$2,285,000. The objective of the City's budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. The City requires expenditures be subject to an annual appropriation. Strict controls are in place to ensure that expenditures do not exceed these appropriations at either the departmental or the fund level. Departmental expenditures compared to the appropriations in the final budget were \$5,645,202 under budget. All departments experienced a favorable variance. The favorable variances were the result of aggressive budgetary controls resulting in lower than projected personnel service and employee benefits, purchased/contracted services and materials and supplies. Reallocations throughout the year fund operational needs as necessary in each City department.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Economic Factors and Next Year's Budgets and Rates General Fund. The City has adopted a General Fund budget of \$34,126,685 for the fiscal year ending June 30, 2026. 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 \$4.4 million and \$5.0 million, respectively.
- Property taxes are expected to increase as City population continues to grow. Projected tax revenue is based on growth.
- \$12.9 million from unassigned General Fund balance and \$9.2 million unassigned fund balance from the Water, Sewer and Sanitation enterprise fund will be used in fiscal year ending June 30, 2025, to fund major road repairs, other capital projects, and economic development initiatives.
- Establishment of the Port Wentworth Development Authority to support new business development.
- Partnership with the Ghost Pirates hockey team (ECHL) and Oak View Group to construct a hockey training facility and a 5,200-seat amphitheater.
- Development of the new recreational facilities with the newly designated Anchor Park to include baseball, soccer and football fields, tennis and pickleball courts, splash pads, walking trails and the construction of a food court adjacent to the amphitheater.

Requests for Information

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

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

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

CITY OF PORT WENTWORTH, GEORGIA

**STATEMENT OF NET POSITION
JUNE 30, 2025**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Port Wentworth Development Authority
ASSETS				
Cash and cash equivalents	\$ 16,528,781	\$ 17,062,430	\$ 33,591,211	\$ 48,300
Receivables, net	3,771,691	746,374	4,518,065	-
Prepaid expenses	562,075	81,442	643,517	-
Internal balances	(4,060,873)	4,060,873	-	-
Advance to component unit	4,837,991	-	4,837,991	-
Restricted assets, cash and cash equivalents	41,734	746,474	788,208	-
Lease receivable	-	265,668	265,668	-
Capital assets				
Non-depreciable	25,105,889	828,063	25,933,952	9,951,901
Depreciable, net of accumulated depreciation and amortization	22,411,802	21,151,487	43,563,289	-
Total assets	69,199,090	44,942,811	114,141,901	10,000,201
DEFERRED OUTFLOWS OF RESOURCES				
Pension	979,257	175,391	1,154,648	-
LIABILITIES				
Accounts payable	2,806,782	495,119	3,301,901	4,924,395
Retainage payable	690,096	82,063	772,159	305,196
Accrued liabilities	377,490	570,990	948,480	-
Customer deposits	-	746,474	746,474	-
Due to primary government	-	-	-	4,837,991
Unearned revenue	1,725,084	-	1,725,084	-
Long-term liabilities:				
Due within one year	1,883,592	164,912	2,048,504	-
Due in more than one year	12,075,608	3,986,691	16,062,299	-
Total liabilities	19,558,652	6,046,249	25,604,901	10,067,582
DEFERRED INFLOWS OF RESOURCES				
Leases	-	265,668	265,668	-
Pension	719,400	128,849	848,249	-
Total deferred inflows of resources	719,400	394,517	1,113,917	-
NET POSITION				
Net investment in capital assets	35,973,616	17,894,544	53,868,160	4,738,042
Restricted for capital projects	6,775,167	-	6,775,167	-
Restricted for promotion of tourism	451,953	-	451,953	-
Restricted for public safety	26,969	-	26,969	-
Unrestricted	6,672,590	20,782,892	27,455,482	(4,805,423)
Total net position	\$ 49,900,295	\$ 38,677,436	\$ 88,577,731	\$ (67,381)

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

CITY OF PORT WENTWORTH, GEORGIA

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	\$ 1,933,854	\$ 60,927	\$ -	\$ 774,255
Public safety	11,353,274	3,277,748	-	-
Public works	2,601,692	11,878	1,019,716	3,791,794
Judicial	693,124	-	-	-
Culture and recreation	1,029,175	104,974	-	-
Housing and development	2,175,959	2,319,924	-	-
Interest on long-term debt	528,496	-	-	-
Total governmental activities	<u>20,315,574</u>	<u>5,775,451</u>	<u>1,019,716</u>	<u>4,566,049</u>
Business-type activities:				
Water, sewer, and sanitation	11,881,707	8,073,615	-	4,800,269
Total business-type activities	<u>11,881,707</u>	<u>8,073,615</u>	<u>-</u>	<u>4,800,269</u>
Total primary government	<u>\$ 32,197,281</u>	<u>\$ 13,849,066</u>	<u>\$ 1,019,716</u>	<u>\$ 9,366,318</u>
Component unit:				
Port Wentworth Development Authority	<u>\$ 76,508</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues:
 Property taxes
 Sales taxes
 Selective sales and use taxes
 Business taxes
 Unrestricted investment earnings
 Gain on disposal of capital assets
 Miscellaneous
 Transfers
 Special item
 Total general revenues and transfers
 Change in net position
 Net position, beginning of year
 Net position, end of year

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

Net (Expenses) Revenues and Changes in Net Position			
Governmental Activities	Business-type Activities	Total	Port Wentworth Development Authority
\$ (1,098,672)	\$ -	\$ (1,098,672)	\$ -
(8,075,526)	-	(8,075,526)	-
2,221,696	-	2,221,696	-
(693,124)	-	(693,124)	-
(924,201)	-	(924,201)	-
143,965	-	143,965	-
(528,496)	-	(528,496)	-
<u>(8,954,358)</u>	<u>-</u>	<u>(8,954,358)</u>	<u>-</u>
-	992,177	992,177	-
-	992,177	992,177	-
<u>(8,954,358)</u>	<u>992,177</u>	<u>(7,962,181)</u>	<u>-</u>
-	-	-	(76,508)
6,346,458	-	6,346,458	-
4,818,796	-	4,818,796	-
2,595,757	-	2,595,757	-
1,221,368	-	1,221,368	-
810,275	763,909	1,574,184	-
31,745	-	31,745	-
522,524	86,426	608,950	9,127
(973,787)	973,787	-	-
(1,900,000)	-	(1,900,000)	-
<u>13,473,136</u>	<u>1,824,122</u>	<u>15,297,258</u>	<u>9,127</u>
4,518,778	2,816,299	7,335,077	(67,381)
45,381,517	35,861,137	81,242,654	-
<u>\$ 49,900,295</u>	<u>\$ 38,677,436</u>	<u>\$ 88,577,731</u>	<u>\$ (67,381)</u>

FUND FINANCIAL STATEMENTS

CITY OF PORT WENTWORTH, GEORGIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025**

	General Fund	Capital Projects Fund	Hotel/Motel Tax Fund	Nonmajor Confiscated Assets Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 9,330,634	\$ 6,390,682	\$ 807,465	\$ -	\$ 16,528,781
Receivables, net	3,120,441	387,715	263,535	-	3,771,691
Prepaid items	562,075	-	-	-	562,075
Due from other funds	693,838	-	-	-	693,838
Advance to component unit	4,837,991	-	-	-	4,837,991
Restricted cash and investments	-	-	-	41,734	41,734
Total assets	\$ 18,544,979	\$ 6,778,397	\$ 1,071,000	\$ 41,734	\$ 26,436,110
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 2,698,378	\$ 3,230	\$ 105,174	\$ -	\$ 2,806,782
Retainage payable	690,096	-	-	-	690,096
Accrued liabilities	1,010,823	-	-	-	1,010,823
Due to other funds	-	-	513,873	14,765	528,638
Advance from other funds	4,226,073	-	-	-	4,226,073
Total liabilities	8,625,370	3,230	619,047	14,765	9,262,412
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	3,330,821	-	-	-	3,330,821
FUND BALANCES					
Non-spendable:					
Prepaid items	562,075	-	-	-	562,075
Advance to component unit	4,837,991	-	-	-	4,837,991
Restricted for:					
Capital projects	-	6,775,167	-	-	6,775,167
Promotion of tourism	-	-	451,953	-	451,953
Public safety	-	-	-	26,969	26,969
Committed:					
Public safety technology	866,293	-	-	-	866,293
Veterans memorial	19,875	-	-	-	19,875
Fire station construction	862,143	-	-	-	862,143
Local Maintenance and Improvement Grant	491,029	-	-	-	491,029
Assigned:					
Subsequent years budget	3,648,643	-	-	-	3,648,643
Unassigned	(4,699,261)	-	-	-	(4,699,261)
Total fund balances	6,588,788	6,775,167	451,953	26,969	13,842,877
Total liabilities, deferred inflows of resources and fund balances	\$ 18,544,979	\$ 6,778,397	\$ 1,071,000	\$ 41,734	\$ 26,436,110

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

CITY OF PORT WENTWORTH, GEORGIA

**RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025**

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

Total governmental fund balances.	\$	13,842,877
Capital assets, including leases and SBITAs, used in governmental activities are not financial resources and, therefore, are not reported in the funds.		47,517,691
Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Compensated absences		(378,439)
Net pension liability		(830,012)
Leases		(439,333)
SBITAs		(113,432)
Notes payable		(9,868,193)
Financed purchases		(429,791)
Litigation payable		(1,266,667)
Certain pension related deferred outflows are not reported in the funds.		979,257
Certain pension related deferred inflows are not reported in the funds.		(719,400)
Certain revenues are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the funds.		1,605,737
Net position of governmental activities	\$	<u>49,900,295</u>

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

CITY OF PORT WENTWORTH, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>General</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Hotel/Motel</u> <u>Tax Fund</u>	<u>Nonmajor</u> <u>Confiscated</u> <u>Assets</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
Revenues					
Taxes	\$ 12,775,113	\$ -	\$ 2,213,347	\$ -	\$ 14,988,460
Licenses and permits	2,091,255	-	-	-	2,091,255
Intergovernmental	1,097,751	3,283,688	-	-	4,381,439
Fines and forfeitures	1,866,742	-	-	-	1,866,742
Charges for services	1,817,454	-	-	-	1,817,454
Investment income	810,275	184,609	-	-	994,884
Miscellaneous	522,524	-	-	-	522,524
Total revenues	<u>20,981,114</u>	<u>3,468,297</u>	<u>2,213,347</u>	<u>-</u>	<u>26,662,758</u>
Expenditures					
Current:					
General government	2,954,130	-	-	-	2,954,130
Judicial	689,150	-	-	-	689,150
Public safety	18,415,070	-	-	14,763	18,429,833
Public works	2,764,238	-	-	-	2,764,238
Culture and recreation	6,460,362	-	-	-	6,460,362
Housing and development	1,414,315	-	-	-	1,414,315
Intergovernmental	-	-	760,232	-	760,232
Capital outlay	-	991,595	-	-	991,595
Debt service:					
Principal	1,716,278	-	-	-	1,716,278
Interest and fiscal charges	528,496	-	-	-	528,496
Total expenditures	<u>34,942,039</u>	<u>991,595</u>	<u>760,232</u>	<u>14,763</u>	<u>36,708,629</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(13,960,925)</u>	<u>2,476,702</u>	<u>1,453,115</u>	<u>(14,763)</u>	<u>(10,045,871)</u>
Other financing sources (uses)					
Sale of capital assets	98,688	-	-	-	98,688
Debt issuance	120,429	-	-	-	120,429
Transfers in	1,245,051	-	-	-	1,245,051
Transfers out	(820,625)	-	(1,245,051)	-	(2,065,676)
Total other financing sources (uses)	<u>643,543</u>	<u>-</u>	<u>(1,245,051)</u>	<u>-</u>	<u>(601,508)</u>
Special item	<u>(633,333)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(633,333)</u>
Net change in fund balances	(13,950,715)	2,476,702	208,064	(14,763)	(11,280,712)
Fund balances, beginning of year	<u>20,539,503</u>	<u>4,298,465</u>	<u>243,889</u>	<u>41,732</u>	<u>25,123,589</u>
Fund balances, end of year	<u>\$ 6,588,788</u>	<u>\$ 6,775,167</u>	<u>\$ 451,953</u>	<u>\$ 26,969</u>	<u>\$ 13,842,877</u>

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

CITY OF PORT WENTWORTH, GEORGIA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

Net change in fund balances - total governmental funds.	\$	(11,280,712)
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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 and reported as depreciation expense.

Capital outlay		17,377,691
Depreciation expense		(2,418,033)

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

Lease and SBITA asset additions		120,429
Amortization expense		(248,344)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins transfers to other funds) is to decrease net position.		(220,105)
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		1,013,636
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Debt issuance		(120,429)
Principal payments on notes, leases, SBITAs and financed purchases		1,716,278

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.

Litigation		(1,266,667)
Compensated absences		(23,846)
Net pension liability and deferred inflows of resources related to pension		(131,120)

	\$	4,518,778
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The accompanying notes are an integral part of these financial statements.

CITY OF PORT WENTWORTH, GEORGIA

**STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2025**

ASSETS	Water, Sewer and Sanitation Fund
CURRENT ASSETS	
Cash and cash equivalents	\$ 17,062,430
Accounts receivable, net	746,374
Prepaid expenses	81,442
Lease receivable	43,068
Advance to other funds	4,226,073
Restricted cash and cash equivalents	746,474
Total current assets	<u>22,905,861</u>
NON-CURRENT ASSETS	
Lease receivable	222,600
Capital assets:	
Non-depreciable	828,063
Depreciable, net of accumulated depreciation	21,151,487
Total non-current assets	<u>22,202,150</u>
Total assets	<u>45,108,011</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension	<u>175,391</u>
LIABILITIES	
CURRENT LIABILITIES, PAYABLE FROM CURRENT ASSETS	
Accounts payable	495,119
Retainage payable	82,063
Accrued interest payable	4,552
Other accrued liabilities	566,438
Due to other funds	165,200
Customer deposits	746,474
Current portion of notes payable	164,912
Total current liabilities, payable from current assets	<u>2,224,758</u>
LONG-TERM LIABILITIES	
Notes payable	3,838,031
Net pension liability	148,660
Total long-term liabilities	<u>3,986,691</u>
Total liabilities	<u>6,211,449</u>
DEFERRED INFLOWS OF RESOURCES	
Pension	128,849
Leases	<u>265,668</u>
Total deferred inflows of resources	<u>394,517</u>
NET POSITION	
Net investment in capital assets	17,894,544
Unrestricted	<u>20,782,892</u>
Total net position	<u>\$ 38,677,436</u>

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

CITY OF PORT WENTWORTH, GEORGIA

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Water, Sewer and Sanitation Fund
OPERATING REVENUE	
Charges for services	\$ 7,928,244
Connection fees	145,371
Miscellaneous	86,426
	<hr/>
Total operating revenues	8,160,041
	<hr/>
OPERATING EXPENSES	
Sewer Department:	
Personnel services and employee benefits	611,626
Purchased and contracted services	802,290
Supplies	198,294
Depreciation	615,255
Total sewer operating expenses	<hr/> 2,227,465
Water Department:	
Personnel services and employee benefits	607,873
Purchased and contracted services	1,733,210
Supplies	2,197,794
Depreciation	297,702
Total water operating expenses	<hr/> 4,836,579
Wastewater Treatment Department:	
Personnel services and employee benefits	582,588
Purchased and contracted services	939,286
Supplies	595,719
Depreciation	426,923
Total wastewater treatment operating expenses	<hr/> 2,544,516
Sanitation Department:	
Personnel services and employee benefits	29,483
Purchased and contracted services	2,104,043
Total sanitation operating expenses	<hr/> 2,133,526
Total operating expenses	<hr/> 11,742,086
Operating loss	<hr/> (3,582,045)
NON-OPERATING REVENUES (EXPENSES)	
Interest income	763,909
Interest expense	(115,635)
Loss on disposal of capital assets	(23,986)
Total non-operating revenues, net	<hr/> 624,288
Loss before capital contributions and transfers	<hr/> (2,957,757)
CAPITAL CONTRIBUTIONS	
	<hr/> 4,953,431
TRANSFERS	
Transfers in	<hr/> 820,625
Total transfers	<hr/> 820,625
Change in net position	2,816,299
Total net position, beginning of year	<hr/> 35,861,137
Total net position, end of year	<hr/> \$ 38,677,436

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

CITY OF PORT WENTWORTH, GEORGIA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Water, Sewer and Sanitation Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 8,037,538
Payments to suppliers	(12,659,050)
Payments to employees	(1,770,131)
Net cash used in operating activities	<u>(6,391,643)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers in	820,625
Net cash provided by noncapital financing activities	<u>820,625</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal payments on notes payable	(159,958)
Interest paid	(116,069)
Capital contributions - aid to construction	4,800,269
Proceeds from the sale of capital assets	6,560
Purchase of capital assets	(115,469)
Net cash provided by capital and related financing activities	<u>4,415,333</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	763,909
Net cash provided by investing activities	<u>763,909</u>
Net change in cash	(391,776)
Cash and cash equivalents, beginning of year	18,200,680
Cash and cash equivalents, end of year	<u>\$ 17,808,904</u>
Classified as	
Cash and cash equivalents	\$ 17,062,430
Restricted cash and cash equivalents	746,474
	<u>\$ 17,808,904</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (3,582,045)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	1,339,880
Change in assets and liabilities:	
Increase in accounts receivable	(76,447)
Increase in prepaid expenses	(72,879)
Increase in advance to other funds	(4,226,073)
Increase in lease receivable	(199,165)
Increase in deferred outflows of resources	(77,059)
Decrease in accounts payable	(156,695)
Increase in accrued liabilities	416,921
Decrease in due to other funds	(49,688)
Decrease in customer deposits	(46,056)
Increase in net pension liability	9,649
Increase in deferred inflows of resources - leases	199,165
Increase in deferred inflows of resources - pension	128,849
Net cash used in operating activities	<u>\$ (6,391,643)</u>
SCHEDULE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES	
Contribution of capital assets from governmental activities	\$ 153,162
Retainage payable	82,063
Net noncash investing, capital and financing activities	<u>\$ 235,225</u>

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

NOTES TO FINANCIAL STATEMENTS

CITY OF PORT WENTWORTH, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The City was founded in 1733 and incorporated in 1957 and operates under the laws of the State of Georgia applicable to municipal corporations. 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 reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards, and agencies that are not legally separate from the City.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and: 1) the City is able to significantly influence the programs or services performed or provided by the organizations; or 2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the City in that the City approves the budget, levies their taxes or issues their debt.

The component unit column included on the government-wide financial statements identifies the financial data of the City's discretely presented component unit. It is reported separately to emphasize that it is legally separate from the City.

CITY OF PORT WENTWORTH, GEORGIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

A brief description of the City's discretely presented component unit is as follows:

The Port Wentworth Development Authority (the "Authority") was established in 2024 to develop and promote for the public and general welfare trade, commerce, industry, and employment opportunities within the City. The Authority is legally separate from the City and the City appoints a voting majority of the Authority's governing body. The City has the ability to remove appointed members of the Authority's board, and the City can modify the budget of the Authority. Therefore, the City has the ability to impose its will on the Authority. The Authority issues separate financial statements.

B. Government-wide and Fund Financial Statements

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

For the most part, the effect of interfund activity has been removed from these statements, however, interfund services provided and used are not eliminated in the process of consolidation. Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities and business-type activities. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable, when applicable.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The City reports the following major governmental funds:

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

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

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

The City reports the following major enterprise fund:

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

Additionally, the government reports the following fund types:

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

D. Budgets

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

E. Cash and Investments

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

F. Receivables and Payables

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Receivables and Payables (Continued)

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

G. Restricted Assets

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

H. Prepaid Items

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

I. Capital Assets

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

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Capital Assets (Continued)

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

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

J. Compensated Absences

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

K. Long-term Obligations

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Leases

Lessee

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

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

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

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

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

Lessor

The City is a lessor for noncancellable leases of equipment. The City recognizes a lease receivable and deferred inflows of resources for deferred lease income in the government-wide financial statements and fund financial statements. The City recognizes lease receivables with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Leases (Continued)

Lessor (Continued)

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

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease receivable are composed of fixed payments expected to be received during the lease period.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease assets and receivable if certain changes occur that are expected to significantly affect the amount of the lease receivable. The City's principal operations do not consist of leasing assets to other entities.

M. Subscription-Based Information Technology Arrangements ("SBITAs")

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Subscription-Based Information Technology Arrangements (“SBITAs”) (Continued)

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

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

N. Fund Equity

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Equity (Continued)

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

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

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

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

O. Management Estimates

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

P. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualified for reporting in this category, all of which are part of the City's pension plan. See Note 7 for further details.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the Statement of Net Position and the governmental funds Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category, one of which arises only under the modified accrual basis of accounting. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds Balance Sheet. The governmental funds report unavailable revenues from taxes and grants and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The City also reports deferred inflows from leases receipts, and amortized into lease revenue over the remaining life of the lease. The City also reports an item in this category which is part of the City's pension plan. See Note 7 for further details.

Q. Pensions

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

NOTE 2. CASH AND CASH EQUIVALENTS

Total cash and cash equivalents as of June 30, 2025 are summarized as follows:

Amounts as presented on the government-wide Statement of Net Position:

Cash and cash equivalents	\$ 33,591,211
Restricted cash and cash equivalents	788,208
Total	<u>\$ 34,379,419</u>
Cash deposited with financial institutions	\$ 6,214,937
Cash deposited with Georgia Fund 1	28,164,482
Total	<u>\$ 34,379,419</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

Credit risk. State statutes authorize the City to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. Government; obligations fully insured or guaranteed by the U.S. Government or by a government agency of the United States; obligations of any corporation of the U.S. Government; prime bankers' acceptances; the local government investment pool established by state law ("Georgia Fund 1"); repurchase agreements; and obligations of other political subdivisions of the State of Georgia. It is the City's policy to limit its investments to those allowed and authorized by state law. As of June 30, 2025, the Georgia Fund 1 was rated AA+ by Standard & Poor's and had a weighted average maturity of 51 days.

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

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

Custodial Credit Risk. Custodial risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal and state government instruments) to be collateralized by depository insurance, obligations of the U.S. Government, or bonds of public authorities, counties, or municipalities. As of June 30, 2025, the City's deposits were fully collateralized in compliance with the state requirements.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 3. RECEIVABLES

Property taxes attach as an enforceable lien on real property and are levied as of January 1 on property values assessed on the same date. Tax bills were rendered September 15, 2024 and were due November 15, 2024. 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 5.216 mills was adopted on June 20, 2024.

Receivables at June 30, 2025, for the City's individual major and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Hotel/Motel Tax Fund</u>	<u>Water, Sewer, and Sanitation Fund</u>	<u>Total</u>
Receivables:					
Taxes	\$ 807,030	\$ -	\$ 263,535	\$ -	\$ 1,070,565
Accounts	12,873	-	-	895,164	908,037
Intergovernmental	2,300,958	387,715	-	-	2,688,673
Less allowance for uncollectibles	(420)	-	-	(148,790)	(149,210)
Total receivables, net	<u>\$ 3,120,441</u>	<u>\$ 387,715</u>	<u>\$ 263,535</u>	<u>\$ 746,374</u>	<u>\$ 4,518,065</u>

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 unavailable revenue reported in the General Fund were as follows:

	<u>Unavailable</u>
2025 Property tax collection	\$ 1,725,084
Grant receivable	1,019,716
Delinquent property taxes receivable	29,039
Franchise taxes receivable	556,982
Total	<u>\$ 3,330,821</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 3. RECEIVABLES (CONTINUED)

The City is the lessor for telecommunication items as noted in Note 1. These items have monthly payments that range from \$3,667 to \$5,065 with an interest rate of 3.50%. The City recognized \$41,261 as lease revenue for the year ended June 30, 2025. As of June 30, 2025, the City reported accounts receivable and a deferred inflow of resources of \$265,668 which represents the remaining lease payments owed to the City. The City's principal operations do not consist of leasing assets to other entities. There were no variable or other payments noted.

NOTE 4. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2025 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated:					
Land	\$ 3,422,919	\$ 910,514	\$ -	\$ -	\$ 4,333,433
Construction in progress	7,361,778	15,039,395	-	(1,628,717)	20,772,456
Total	<u>10,784,697</u>	<u>15,949,909</u>	<u>-</u>	<u>(1,628,717)</u>	<u>25,105,889</u>
Capital assets, being depreciated:					
Buildings and improvements	7,298,549	113,950	-	443,630	7,856,129
Machinery, equipment and vehicles	11,817,444	1,207,086	(606,049)	755,153	13,173,634
Infrastructure	17,938,954	106,746	-	276,772	18,322,472
Right-to-use lease office space	792,899	93,944	-	-	886,843
Right-to-use SBITA asset	239,166	26,485	-	-	265,651
Total	<u>38,087,012</u>	<u>1,548,211</u>	<u>(606,049)</u>	<u>1,475,555</u>	<u>40,504,729</u>
Less accumulated depreciation for:					
Buildings and improvements	(2,908,319)	(306,667)	-	-	(3,214,986)
Machinery, equipment and vehicles	(6,809,738)	(1,392,438)	539,106	-	(7,663,070)
Infrastructure	(5,849,077)	(718,928)	-	-	(6,568,005)
Right-to-use lease office space	(324,027)	(167,160)	-	-	(491,187)
Right-to-use SBITA asset	(74,495)	(81,184)	-	-	(155,679)
Total	<u>(15,965,656)</u>	<u>(2,666,377)</u>	<u>539,106</u>	<u>-</u>	<u>(18,092,927)</u>
Total capital assets, being depreciated, net	<u>22,121,356</u>	<u>(1,118,166)</u>	<u>(66,943)</u>	<u>1,475,555</u>	<u>22,411,802</u>
Governmental activities capital assets, net	<u>\$ 32,906,053</u>	<u>\$ 14,831,743</u>	<u>\$ (66,943)</u>	<u>\$ (153,162)</u>	47,517,691
Less capital related long-term debt outstanding					(10,850,749)
Less capital accounts payable and retainage					(693,326)
Net investment in capital assets					<u>\$ 35,973,616</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 4. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities					
Capital assets, not being depreciated:					
Land	\$ 240,232	\$ -	\$ -	\$ -	\$ 240,232
Construction in progress	477,138	7,500	-	103,193	587,831
Total	<u>717,370</u>	<u>7,500</u>	<u>-</u>	<u>103,193</u>	<u>828,063</u>
Capital assets, being depreciated:					
Buildings and improvements	149,784	-	-	-	149,784
Machinery, equipment and vehicles	526,420	139,777	-	-	666,197
Infrastructure	39,875,915	50,255	(281,773)	49,969	39,694,366
Total	<u>40,552,119</u>	<u>190,032</u>	<u>(281,773)</u>	<u>49,969</u>	<u>40,510,347</u>
Less accumulated depreciation for:					
Buildings and improvements	(65,184)	(12,645)	-	-	(77,829)
Machinery, equipment and vehicles	(498,999)	(99,437)	-	-	(598,436)
Infrastructure	(17,706,024)	(1,227,798)	251,227	-	(18,682,595)
Total	<u>(18,270,207)</u>	<u>(1,339,880)</u>	<u>251,227</u>	<u>-</u>	<u>(19,358,860)</u>
Total capital assets, being depreciated, net	<u>22,281,912</u>	<u>(1,149,848)</u>	<u>(30,546)</u>	<u>49,969</u>	<u>21,151,487</u>
Business-type activities capital assets, net	<u>\$ 22,999,282</u>	<u>\$ (1,142,348)</u>	<u>\$ (30,546)</u>	<u>\$ 153,162</u>	21,979,550
Less capital related long-term debt outstanding					(4,002,943)
Less capital accounts payable and retainage					(82,063)
Net investment in capital assets					<u>\$ 17,894,544</u>

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

Governmental activities:	
General government	\$ 543,504
Judicial	1,623
Public safety	1,115,564
Public works	812,707
Culture and recreation	153,360
Housing and development	39,619
Total governmental activities	<u>\$ 2,666,377</u>
Business-type activities:	
Sewer	\$ 615,255
Water	297,702
Wastewater treatment	426,923
Total business-type activities	<u>\$ 1,339,880</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. LONG-TERM LIABILITIES

A. Financed Purchases – Governmental Activities

The City has a financed purchase agreement with Truist Bank. The agreement was executed in August 2017 with a 10-year term of 120 monthly payments to acquire a fire truck. The agreement has an annual interest rate of 2.48% and maturity date of February 17, 2027.

The City has a financed purchase agreement with Truist Bank. The agreement was executed in December 2018 with a 10-year term of 40 quarterly payments to acquire a mobile command vehicle. The vehicles have 10-year estimated useful lives. The agreement has an annual interest rate of 3.60% and maturity date of March 5, 2029.

The City has a financed purchase agreement with Truist Bank. The agreement was executed in July 2023 with a three-year term of three annual payments to acquire new vehicles. The vehicles have three-year estimated useful lives. The agreement has an annual interest rate of 5.27% and maturity date of July 31, 2026.

Financed purchase requirements to maturity are as follows:

<u>Fiscal year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 182,884	\$ 12,048	\$ 194,932
2027	149,598	6,173	155,771
2028	64,291	2,642	66,933
2029	33,018	447	33,465
Total	<u>\$ 429,791</u>	<u>\$ 21,310</u>	<u>\$ 451,101</u>

B. Notes Payable – Direct Borrowing – Governmental Activities

City Hall Loan – The City has a loan agreement with 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.

Fire Station Headquarters Loan – The City has a loan agreement with Truist Bank. This loan was executed on October 13, 2023, in the amount of \$9,300,000 for the construction of the fire station headquarters. The loan has an annual interest rate of 4.64% with a 20-year term of monthly installment payments and maturity date of October 15, 2043.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. LONG-TERM LIABILITIES (CONTINUED)

B. Notes Payable – Direct Borrowing – Governmental Activities (Continued)

Annual debt service requirements to maturity are as follows:

<u>Fiscal year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 570,693	\$ 431,465	\$ 1,002,158
2027	592,203	409,954	1,002,157
2028	613,560	388,598	1,002,158
2029	609,094	364,305	973,399
2030	374,796	344,030	718,826
2031 – 2035	2,161,232	1,432,902	3,594,134
2036 – 2040	2,733,036	861,098	3,594,134
2041 – 2045	2,213,579	182,510	2,396,089
Total	<u>\$ 9,868,193</u>	<u>\$ 4,414,862</u>	<u>\$ 14,283,055</u>

C. Leases Payable – Governmental Activities

In January 2022, the City entered into a 64-month lease agreement as lessee for the use of office space. An initial lease liability was recorded in the amount of \$245,280. As of June 30, 2025, the value of the lease liability was \$101,084. The City is required to make monthly principal and interest payments in the amount of \$1,976 for four months, increasing to \$4,000 for the next 12 months with a 5% increase annually for the remaining lease term. The lease has an interest rate of 3.60%, the City's incremental borrowing rate. The office space has a five-year estimated useful life and the value of the right-to-use asset as of the end of the current fiscal year was \$245,280 and had accumulated amortization of \$160,965.

In August 2022, the City entered into a 24-month lease agreement as lessee for the use of office space. An initial lease liability was recorded in the amount of \$88,723. As of June 30, 2025, the lease liability was fully paid off. The City is required to make monthly principal and interest payments in the amount of \$3,800 for 12 months, increasing to \$3,914 for the next 12 months. The lease has an interest rate of 4.435%, the City's incremental borrowing rate. The office space has a two-year estimated useful life and the value of the right-to-use asset as of the end of the current fiscal year was \$88,723 and had accumulated amortization of \$88,723.

In November 2022, the City entered into a 74-month lease agreement as lessee for the use of office space. An initial lease liability was recorded in the amount of \$458,896. As of June 30, 2025, the value of the lease liability was \$285,822. The City is required to make monthly principal and interest payments in the amount of \$6,600 for 14 months, increasing to \$6,798 for the next 12 months with a 3% increase annually for the remaining lease term. The lease has an interest rate of 4.435%, the City's incremental borrowing rate. The office space has a seven-year estimated useful life and the value of the right-to-use asset as of the end of the current fiscal year was \$458,896 and had accumulated amortization of \$198,442.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. LONG-TERM LIABILITIES (CONTINUED)

C. Leases Payable – Governmental Activities (Continued)

In August 2024, the City entered into a 24-month lease agreement as lessee for the use of office space. An initial lease liability was recorded in the amount of \$93,944. As of June 30, 2025, the value of the lease liability was \$52,427. The City is required to make monthly principal and interest payments in the amount of \$4,031 for 12 months, increasing to \$4,152 for the next 12 months. The lease has an interest rate of 4.640%, the City's incremental borrowing rate. The office space has a two-year estimated useful life and the value of the right-to-use asset as of the end of the current fiscal year was \$93,944 and had accumulated amortization of \$43,057.

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

<u>Fiscal year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 175,634	\$ 15,386	\$ 191,020
2027	132,016	8,599	140,615
2028	86,364	4,113	90,477
2029	45,319	588	45,907
Total	<u>\$ 439,333</u>	<u>\$ 28,686</u>	<u>\$ 468,019</u>

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

Georgia Environmental Finance Authority (“GEFA”) Loan - The City has a loan with the 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, 2025, the loan balance was \$1,233,991.

United States Department of Agriculture (“USDA”) Loan - The City has a loan with the USDA, Rural Development, Community Programs Division. This loan provided funding for construction of the City's wastewater treatment plant and other water and sewer capital improvements. On June 18, 2012, the 2.75% loan was executed at \$3,527,716, with a maturity date of June 18, 2052. A sinking fund account is set up for the loan to hold the required reserved as established by USDA. This amount is accounted for in the Water and Sewer Enterprise Fund cash and investments balance. As of June 30, 2025, the loan balance was \$2,768,952.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. LONG-TERM LIABILITIES (CONTINUED)

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

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

<u>Fiscal year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 164,912	\$ 111,113	\$ 276,025
2027	169,777	106,249	276,026
2028	174,785	101,241	276,026
2029	179,943	96,084	276,027
2030	185,251	90,775	276,026
2031 – 2035	1,011,547	368,582	1,380,129
2036 – 2040	636,112	241,040	877,152
2041 – 2045	561,662	166,498	728,160
2046 – 2050	644,351	83,809	728,160
2051 – 2054	274,603	7,701	282,304
Total	<u>\$ 4,002,943</u>	<u>\$ 1,373,092</u>	<u>\$ 5,376,035</u>

E. SBITA Liability

The City enters into SBITAs for periods between two and five years as for the use of certain information technology items. Interest is calculated at a rate of 4.64% on all SBITAs. Principal and interest requirements to maturity for the SBITAs as of June 30, 2025 are as follows:

<u>Fiscal year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 45,116	\$ 4,312	\$ 49,428
2027	33,628	2,435	36,063
2028	28,385	958	29,343
2029	6,303	49	6,352
Total	<u>\$ 113,432</u>	<u>\$ 7,754</u>	<u>\$ 121,186</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. LONG-TERM LIABILITIES (CONTINUED)

F. Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2025 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Financed purchases	\$ 1,307,420	\$ -	\$ (877,629)	\$ 429,791	\$ 182,884
Notes payable - direct borrowing	10,464,540	-	(596,347)	9,868,193	570,693
Leases	508,019	93,944	(162,630)	439,333	175,634
SBITAs	166,619	26,485	(79,672)	113,432	45,116
Litigation payable	-	1,900,000	-	1,900,000	633,333
Net pension liability	1,500,273	1,510,405	(2,180,666)	830,012	-
Compensated absences	354,593	23,846	-	378,439	275,932
Governmental activity long-term liabilities	<u>\$ 14,301,464</u>	<u>\$ 3,554,680</u>	<u>\$ (3,896,944)</u>	<u>\$ 13,959,200</u>	<u>\$ 1,883,592</u>
Business-type activities:					
Notes payable - direct borrowing	\$ 4,162,901	\$ -	\$ (159,958)	\$ 4,002,943	\$ 164,912
Net pension liability	139,011	270,805	(261,156)	148,660	-
Business-type activity long-term liabilities	<u>\$ 4,301,912</u>	<u>\$ 270,805</u>	<u>\$ (421,114)</u>	<u>\$ 4,151,603</u>	<u>\$ 164,912</u>

NOTE 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2025 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Hotel/Motel Tax Fund	\$ 513,873
General Fund	Nonmajor Governmental Fund	14,765
General Fund	Water, Sewer and Sanitation Fund	165,200
		<u>\$ 693,838</u>
<u>Advance To</u>	<u>Advance From</u>	
General Fund	Water, Sewer and Sanitation Fund	<u>\$ 4,226,073</u>

These balances resulted from time lag between the dates the: 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made. Additionally, at June 30, 2025, the City's Water, Sewer and Sanitation Fund has advanced the General Fund \$4,226,073.

The City also advanced the Authority, a discretely presented component unit, \$4,837,991 for capital purposes.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

The composition of interfund transfers as of June 30, 2025 is as follows:

Transfers In	Transfers Out	Amount
General Fund	Hotel/Motel Tax Fund	\$ 1,245,051
Water, Sewer and Sanitation Fund	General Fund	820,625
		\$ 2,065,676

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

NOTE 7. PENSION PLANS

A. Plan Description

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

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

B. Benefits Provided

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

NOTES TO FINANCIAL STATEMENTS

NOTE 7. PENSION PLANS (CONTINUED)

C. Employee Participation

At June 30, 2025, the following employees were covered by the Plan:

Inactive plan members or beneficiaries currently receiving benefits	55
Inactive plan members entitled to, but not receiving benefits	82
Active employees	120
Active elected officials	7
Total	<u>264</u>

D. Contributions

The GMEBS Board of Trustees has adopted an actuarial funding policy for determination of annual contributions and the systematic funding of liabilities arising under the Plan. The annual minimum contribution is the sum of: 1) the normal cost (including administrative expenses), 2) the closed level dollar amortization of the unfunded actuarial accrued liability over a period that ranges from 10 to 30 years based on the funding policy adopted by the GMEBS Board of Trustees, and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly). The GMEBS Board of Trustees has adopted an actuarial funding policy that requires a different funding level than the state estimated minimum annual contribution in an effort to minimize fluctuations in annual contribution amounts and to accumulate sufficient funds to secure benefits under the Plan. If the employer contributes the recommended contribution developed under the actuarial funding policy each year, the Plan will meet applicable state funding standards. The estimated minimum annual contribution under these standards is \$500,505.

E. Net Pension Liability

The City's net pension liability was measured as of September 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024, with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2024.

Actuarial assumptions. The total pension liability in the January 1, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 7. PENSION PLANS (CONTINUED)

E. Net Pension Liability (Continued)

The actuarial assumptions used in the January 1, 2025 valuation were based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2024 are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
Domestic equity	45%	6.60%
International equity	20%	7.03
Domestic fixed income	20%	2.70
Real estate	10%	3.40
Global fixed income	5%	3.70
Cash	0%	
Total	100%	

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 7. PENSION PLANS (CONTINUED)

E. Net Pension Liability (Continued)

Changes in the Net Pension Liability of the City. The changes in the components of the net pension liability of the City for the year ended June 30, 2025 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Beginning Balance	\$ 10,882,922	\$ 9,243,638	\$ 1,639,284
Changes for the year			
Service cost	288,198	-	288,198
Interest	804,674	-	804,674
Differences between expected and actual experience	667,318	-	667,318
Contributions - employer	-	256,221	(256,221)
Net investment income	-	2,185,601	(2,185,601)
Benefit payments, including refunds of employee contributions	(520,581)	(520,581)	-
Administrative expense	-	(21,020)	21,020
Net changes	1,239,609	1,900,221	(660,612)
Ending Balance	\$ 12,122,531	\$ 11,143,859	\$ 978,672

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

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

	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
City's net pension liability (asset)	\$ 2,859,433	\$ 978,672	\$ (528,445)

NOTES TO FINANCIAL STATEMENTS

NOTE 7. PENSION PLANS (CONTINUED)

E. Net Pension Liability (Continued)

Sensitivity of the net pension liability to changes in the discount rate (Continued). Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2024, and the current sharing pattern of costs between employer and employee.

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

For the year ended June 30, 2025, the City recognized pension expense of \$570,944 and deferred outflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 848,249
Differences between expected and actual experience	808,054	-
City contributions subsequent to the measurement date	346,594	-
Total	\$ 1,154,648	\$ 848,249

The amount of deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date, \$346,594, will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources related to pensions are projected to be recognized in future years as follows:

<u>Year ending June 30,</u>		
2026	\$	110,225
2027		392,274
2028		(239,813)
2029		(302,881)
Total	\$	(40,195)

NOTES TO FINANCIAL STATEMENTS

NOTE 8. DEFINED CONTRIBUTION PENSION PLAN

In April 2001, the City elected to participate in the Georgia Municipal Association (“GMA”) 401(a) Defined Contribution Plan (the “Plan”). The Plan is administered by GMA. There are three participants in the Plan and the City contributes 8.5%, 8.5%, and 12.5% of the eligible participant’s salary (employer portion). There are no required contributions by Plan members. Contributions are 100% vested from the time credited to the participant’s account and, therefore, upon a participant’s separation from service, there are no forfeitures of employer contributions. Plan provisions are established in the Plan Adoption Agreement and may be amended by City Council, so long as the amendment is not inconsistent with the Plan, the Internal Revenue Code or other applicable law and is approved by the trustees of the Plan. During the year ended June 30, 2025, the City made contributions of \$40,072 to the Plan.

NOTE 9. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the coastal Georgia area, is a member of the Coastal Regional Commission (“CRC”) and is required to pay annual dues thereto. During the year ended June 30, 2025, the City paid \$14,141 in such dues. Membership in the CRC is required by the O.C.G.A. §50-8-34 which provides for the organizational structure of regional development commissions in Georgia. The CRC Board membership includes the chief elected official of each county and municipality of the area. O.C.G.A. §50-8-39.1 provides that the member governments are liable for any debts or obligations of a regional development commission. Separate financial statements may be obtained from:

Coastal Regional Commission
1181 Coastal Drive SW
Darien, Georgia 31305

NOTE 10. RISK MANAGEMENT

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 10. RISK MANAGEMENT (CONTINUED)

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

NOTE 11. COMMITMENTS AND CONTINGENCIES

A. Litigation

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

B. Grant Contingencies

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

C. Construction Commitments

In addition to the liabilities enumerated in the Balance Sheet at June 30, 2025, the City has contractual commitments on uncompleted contracts of \$38,482,439.

NOTE 12. 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 O.C.G.A.), 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, 2025, the City abated property taxes of \$449,988.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. SPECIAL ITEM

A class action lawsuit has been filed against the City seeking refunds for fire fees collected pursuant to the City of Port Wentworth Ordinance Chapter 8, Article I, Section 8-19 – Fire Fee and Fire Fee Ordinance. The City has determined that, in the best interest of the City and its citizens, to settle the lawsuit. The City has agreed to pay the settlement of \$1,900,000 in three installments and for the refunds to be administered by a third-party. Of this settlement amount, \$633,333 was recognized as a current liability in the General Fund and the entire amount of \$1,900,000 is recorded on the Statement of Net Position as litigation payable.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PORT WENTWORTH, GEORGIA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 12,566,787	\$ 13,741,104	\$ 12,775,113	\$ (965,991)
Licenses and permits	1,183,200	2,130,713	2,091,255	(39,458)
Intergovernmental	1,706,088	2,059,914	1,097,751	(962,163)
Charges for services	2,125,659	2,064,253	1,817,454	(246,799)
Fines and forfeitures	1,545,000	1,715,840	1,866,742	150,902
Investment income	432,865	810,315	810,275	(40)
Miscellaneous	372,500	744,094	522,524	(221,570)
Total revenues	19,932,099	23,266,233	20,981,114	(2,285,119)
Expenditures				
Current				
General government:				
City council	506,243	726,243	584,645	141,598
General administration	1,186,644	2,272,246	1,404,387	867,859
Technology	1,170,803	1,237,410	965,098	272,312
Total general government	2,863,690	4,235,899	2,954,130	1,281,769
Judicial:				
Municipal court	596,556	768,019	689,150	78,869
Total judicial	596,556	768,019	689,150	78,869
Public safety:				
Police	6,204,876	6,250,090	5,834,582	415,508
Fire	13,682,714	13,769,342	12,534,641	1,234,701
Emergency management	102,000	57,235	45,847	11,388
Total public safety	19,989,590	20,076,667	18,415,070	1,661,597
Public works:				
Highways and streets	4,540,601	3,064,126	2,764,238	299,888
Total public works	4,540,601	3,064,126	2,764,238	299,888
Culture and recreation:				
Recreation	18,701,523	6,460,362	6,460,362	-
Total culture and recreation	18,701,523	6,460,362	6,460,362	-
Housing and development:				
Inspections	673,684	903,922	665,897	238,025
Economic development	2,808,818	2,808,818	748,418	2,060,400
Total housing and development	3,482,502	3,712,740	1,414,315	2,298,425

(Continued)

CITY OF PORT WENTWORTH, GEORGIA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Expenditures (Continued)				
Current (Continued)				
Debt service:				
Principal	\$ 725,067	\$ 1,734,768	\$ 1,716,278	\$ 18,490
Interest	472,022	534,660	528,496	6,164
Total debt service	<u>1,197,089</u>	<u>2,269,428</u>	<u>2,244,774</u>	<u>24,654</u>
Total expenditures	<u>51,371,551</u>	<u>40,587,241</u>	<u>34,942,039</u>	<u>5,645,202</u>
Deficiency of revenues under expenditures	<u>(31,439,452)</u>	<u>(17,321,008)</u>	<u>(13,960,925)</u>	<u>3,360,083</u>
Other financing sources (uses)				
Sale of capital assets	477,500	477,500	98,688	(378,812)
Debt issuance	17,200,000	-	120,429	120,429
Transfers in	13,761,952	17,476,841	1,245,051	(16,231,790)
Transfers out	-	-	(820,625)	(820,625)
Total other financing sources (uses), net	<u>31,439,452</u>	<u>17,954,341</u>	<u>643,543</u>	<u>(17,310,798)</u>
Special item	<u>-</u>	<u>(633,333)</u>	<u>(633,333)</u>	<u>-</u>
Net change in fund balances	-	-	(13,950,715)	(13,950,715)
Fund balances, beginning of year	<u>20,539,503</u>	<u>20,539,503</u>	<u>20,539,503</u>	<u>-</u>
Fund balances, end of year	<u>\$ 20,539,503</u>	<u>\$ 20,539,503</u>	<u>\$ 6,588,788</u>	<u>\$ (13,950,715)</u>

CITY OF PORT WENTWORTH, GEORGIA

**HOTEL/MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 2,133,334	\$ 2,213,334	\$ 2,213,347	\$ 13
Total revenues	2,133,334	2,213,334	2,213,347	13
Expenditures				
Intergovernmental	1,066,667	1,101,659	760,232	341,427
Total expenditures	1,066,667	1,101,659	760,232	341,427
Excess of revenues over expenditures	1,066,667	1,111,675	1,453,115	341,440
Other financing uses				
Transfers out	(1,066,667)	(1,111,675)	(1,245,051)	(133,376)
Total other financing uses	(1,066,667)	(1,111,675)	(1,245,051)	(133,376)
Net change in fund balances	-	-	208,064	208,064
Fund balances, beginning of year	243,889	243,889	243,889	-
Fund balances, end of year	\$ 243,889	\$ 243,889	\$ 451,953	\$ 208,064

CITY OF PORT WENTWORTH, GEORGIA

**NOTES TO BUDGET TO ACTUAL SCHEDULES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1. BUDGETARY INFORMATION

Budgets and Budgetary Accounting

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

Supplemental appropriations and decreases in budget appropriations were properly approved by the City Council. For the year ended June 30, 2025, the following supplemental increase and decrease in appropriations were approved.

<u>Fund</u>	<u>Original Appropriations</u>	<u>Supplemental Appropriations</u>	<u>Supplemental Decreases</u>	<u>Final Appropriations</u>
General Fund	\$ 51,371,551	\$ 5,926,191	\$ (16,710,501)	\$ 40,587,241
Hotel/Motel Tax Fund	1,066,667	34,992	-	1,101,659

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

CITY OF PORT WENTWORTH, GEORGIA

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Total pension liability				
Service cost	\$ 288,198	\$ 168,871	\$ 232,556	\$ 192,814
Interest on total pension liability	804,674	697,085	658,462	622,681
Differences between expected and actual experience	667,318	615,126	144,252	24,179
Changes of assumptions		-	-	-
Changes of benefit terms	-	363,038	-	-
Benefit payments, including refunds of employee contributions	(520,581)	(488,654)	(407,106)	(381,413)
Net change in total pension liability	1,239,609	1,355,466	628,164	458,261
Total pension liability - beginning	10,882,922	9,527,456	8,899,292	8,441,031
Total pension liability - ending (a)	12,122,531	10,882,922	9,527,456	8,899,292
Plan fiduciary net position				
Contributions - employer	256,221	292,777	232,780	166,466
Net investment income	2,185,601	1,125,556	(1,647,914)	2,020,809
Benefit payments, including refunds of member contributions	(520,581)	(488,654)	(407,106)	(381,413)
Administrative expenses	(21,020)	(22,127)	(23,250)	(21,024)
Net change in plan fiduciary net position	1,900,221	907,552	(1,845,490)	1,784,838
Plan fiduciary net position - beginning	9,243,638	8,336,086	10,181,576	8,396,738
Plan fiduciary net position - ending (b)	11,143,859	9,243,638	\$ 8,336,086	10,181,576
City's net pension liability (asset) - ending (a) - (b)	\$ 978,672	\$ 1,639,284	\$ 1,191,370	\$ (1,282,284)
Plan fiduciary net position as a percentage of the total pension liability	91.9%	84.9%	87.5%	114.4%
Covered payroll	\$ 9,162,091	\$ 7,056,895	\$ 5,252,310	\$ 4,160,964
Net pension liability (asset) as a percentage of covered payroll	10.7%	23.2%	22.7%	-30.8%

	2021	2020	2019	2018	2017	2016
\$	186,803	\$ 168,952	\$ 165,255	\$ 136,548	\$ 115,559	\$ 97,877
	574,328	548,377	508,526	493,644	453,854	439,379
	270,908	135,573	191,283	(96,982)	134,050	(89,257)
	-	(18,881)	-	-	-	-
	-	-	-	83,834	-	-
	(383,409)	(368,710)	(306,135)	(273,935)	(269,196)	(253,230)
	648,630	465,311	558,929	343,109	434,267	194,769
	7,792,401	7,327,090	6,768,161	6,425,052	5,990,785	5,796,016
	8,441,031	7,792,401	7,327,090	6,768,161	6,425,052	5,990,785
	196,073	204,475	150,949	140,218	127,716	127,043
	751,971	228,654	715,476	961,697	657,890	73,858
	(383,409)	(368,710)	(306,135)	(273,935)	(269,196)	(253,230)
	(19,961)	(19,285)	(19,652)	(22,401)	(11,637)	(13,055)
	544,674	45,134	540,638	805,579	504,773	(65,384)
	7,852,064	7,806,930	7,266,292	6,460,713	5,955,940	6,021,324
	8,396,738	7,852,064	7,806,930	7,266,292	6,460,713	5,955,940
\$	44,293	\$ (59,663)	\$ (479,840)	\$ (498,131)	\$ (35,661)	\$ 34,845
	99.5%	100.8%	106.5%	107.4%	100.6%	99.4%
\$	3,664,175	\$ 3,082,614	\$ 2,594,412	\$ 2,617,570	\$ 2,054,379	\$ 1,870,923
	1.2%	-1.9%	-18.5%	-19.0%	-1.7%	1.9%

CITY OF PORT WENTWORTH, GEORGIA

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Actuarially determined contribution	\$ 346,594	\$ 224,430	\$ 258,185	\$ 225,909	\$ 199,745
Contributions in relation to the actuarially determined contribution	<u>346,594</u>	<u>224,430</u>	<u>258,185</u>	<u>225,909</u>	<u>183,101</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,644</u>
Covered payroll	\$ 9,162,091	\$ 7,786,792	\$ 6,578,544	\$ 4,707,465	\$ 3,954,625
Contributions as a percentage of covered payroll	3.8%	2.9%	3.9%	4.8%	4.6%

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 194,845	\$ 186,916	\$ 159,728	\$ 131,182	\$ 126,561
Contributions in relation to the actuarially determined contribution	<u>194,845</u>	<u>186,916</u>	<u>159,728</u>	<u>134,932</u>	<u>126,561</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,750)</u>	<u>\$ -</u>
Covered payroll	\$ 3,584,441	\$ 3,230,688	\$ 3,380,772	\$ 3,068,766	\$ 2,555,161
Contributions as a percentage of covered payroll	5.4%	5.8%	4.7%	4.4%	5.0%

Notes to the Schedule:

Valuation Date	January 1, 2025
Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amounts that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Assumed Rate of Return	
On Investments	7.375%
Projected Salary Increases	2.25%, plus service based merit increases
Cost-of-living Adjustment	2.25%
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	N/A

SUPPLEMENTARY INFORMATION

CITY OF PORT WENTWORTH, GEORGIA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
CONFISCATED ASSETS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Fines and forfeitures	\$ -	\$ 14,763	\$ -	\$ (14,763)
Total revenues	-	14,763	-	(14,763)
Expenditures				
Current:				
Public safety	-	14,763	14,763	-
Total expenditures	-	14,763	14,763	-
Net change in fund balances	-	-	(14,763)	14,763
Fund balance, beginning of year	41,732	41,732	41,732	-
Fund balance, end of year	<u>\$ 41,732</u>	<u>\$ 41,732</u>	<u>\$ 26,969</u>	<u>\$ 14,763</u>

CITY OF PORT WENTWORTH, GEORGIA

**SCHEDULES OF EXPENDITURES OF SPECIAL PURPOSE
LOCAL OPTION SALES TAX
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

SPLOST 2014					
Project	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
Streets and roads	\$ 2,002,600	\$ 2,260,960	\$ 2,260,960	\$ -	\$ 2,260,960
Recreation	998,200	1,134,138	1,134,138	-	1,134,138
Sewer systems	3,000,800	3,380,780	3,080,837	-	3,080,837
Downtown redevelopment	198,400	223,996	223,996	-	223,996
Totals	\$ 6,200,000	\$ 6,999,874	\$ 6,699,931	\$ -	\$ 6,699,931

SPLOST 2021					
Project	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
Roads and drainage	\$ 3,000,000	\$ 3,000,000	\$ 947,313	\$ 166,689	\$ 1,114,002
Recreation	4,000,000	4,000,000	1,808,600	208,349	2,016,949
Sewer	1,500,000	1,500,000	85,712	153,162	238,874
Police and fire vehicle and equipment	1,800,000	2,401,009	1,937,614	463,395	2,401,009
Totals	\$ 10,300,000	\$ 10,901,009	\$ 4,779,239	\$ 991,595	\$ 5,770,834

CITY OF PORT WENTWORTH, GEORGIA

**SCHEDULE OF REQUIRED EXPENDITURES FUNDED
BY THE HOTEL/MOTEL TAX
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

REVENUES		
Hotel/motel taxes	\$	2,213,347
EXPENDITURES		
Tourism expenditures	\$	760,232
Percentage of expenditures to revenues		34.3%

STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of Port Wentworth, Georgia’s (the “City”) Annual Comprehensive Financial Report (“ACFR”) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, Required Supplementary Information, and Supplementary Information says about the City’s overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	63 – 68
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	69 – 72
<i>These schedules contain information to help the reader assess the City's most significant local revenue sources.</i>	
Debt Capacity	73 – 76
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	77 – 79
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information	80 and 81
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	

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

CITY OF PORT WENTWORTH, GEORGIA

**NET POSITION BY ACTIVITY
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities:										
Net investment in capital assets	\$ 9,135,801	\$ 10,914,871	\$ 11,627,601	\$ 12,884,726	\$ 15,111,230	\$ 15,994,864	\$ 18,065,252	\$ 22,152,701	\$ 19,902,127	\$ 35,973,616
Restricted	2,975,435	3,057,708	4,222,296	3,823,848	2,551,493	3,736,585	5,551,521	4,868,832	4,584,086	7,254,089
Unrestricted	13,614,295	14,485,879	14,500,180	16,026,973	16,290,187	16,945,722	17,408,314	17,125,279	20,895,304	6,672,590
Total governmental activities net position	<u>\$ 25,725,531</u>	<u>\$ 28,458,458</u>	<u>\$ 30,350,077</u>	<u>\$ 32,735,547</u>	<u>\$ 33,952,910</u>	<u>\$ 36,677,171</u>	<u>\$ 41,025,087</u>	<u>\$ 44,146,812</u>	<u>\$ 45,381,517</u>	<u>\$ 49,900,295</u>
Business-type activities:										
Net investment in capital assets	\$ 22,607,526	\$ 22,116,290	\$ 22,045,154	\$ 21,051,718	\$ 20,274,557	\$ 20,061,857	\$ 19,248,797	\$ 18,883,323	\$ 18,836,381	\$ 17,894,544
Unrestricted	8,425,775	8,825,703	8,820,412	10,600,998	11,503,547	12,120,500	13,808,616	15,817,679	17,024,756	20,782,892
Total business-type activities net position	<u>\$ 31,033,301</u>	<u>\$ 30,941,993</u>	<u>\$ 30,865,566</u>	<u>\$ 31,652,716</u>	<u>\$ 31,778,104</u>	<u>\$ 32,182,357</u>	<u>\$ 33,057,413</u>	<u>\$ 34,701,002</u>	<u>\$ 35,861,137</u>	<u>\$ 38,677,436</u>
Primary government:										
Net investment in capital assets	\$ 31,743,327	\$ 33,031,161	\$ 33,672,755	\$ 33,936,444	\$ 35,385,787	\$ 36,056,721	\$ 37,314,049	\$ 41,036,024	\$ 38,738,508	\$ 53,868,160
Restricted	2,975,435	3,057,708	4,222,296	3,823,848	2,551,493	3,736,585	5,551,521	4,868,832	4,584,086	7,254,089
Unrestricted	22,040,070	23,311,582	23,320,592	26,627,971	27,793,734	29,066,222	31,216,930	32,942,958	37,920,060	27,455,482
Total primary government net position	<u>\$ 56,758,832</u>	<u>\$ 59,400,451</u>	<u>\$ 61,215,643</u>	<u>\$ 64,388,263</u>	<u>\$ 65,731,014</u>	<u>\$ 68,859,528</u>	<u>\$ 74,082,500</u>	<u>\$ 78,847,814</u>	<u>\$ 81,242,654</u>	<u>\$ 88,577,731</u>

CITY OF PORT WENTWORTH, GEORGIA

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Primary government:										
Governmental activities:										
General government	\$ 625,503	\$ 632,190	\$ 897,340	\$ 821,532	\$ 1,167,153	\$ 1,062,812	\$ 1,484,807	\$ 3,110,785	\$ 2,834,654	\$ 1,933,854
Public safety	180,179	185,659	220,545	236,265	202,130	669,141	712,082	9,241,284	10,192,084	11,353,274
Public works	3,123,784	3,815,367	4,626,874	5,335,417	5,617,234	6,338,718	7,598,840	3,135,276	1,433,406	2,601,692
Judicial	1,693,976	1,969,308	1,876,454	1,374,086	1,802,457	2,150,734	2,173,847	567,152	557,316	693,124
Culture and recreation	605,843	677,741	767,938	765,043	653,378	637,904	748,951	914,369	2,305,574	1,029,175
Housing and development	772,566	724,877	729,097	886,931	725,738	707,955	1,416,150	1,487,149	1,386,987	2,175,959
Interest on long-term debt	-	-	-	-	77,721	70,845	67,365	94,223	385,994	528,496
Total governmental activities expenses	7,001,851	8,005,142	9,118,248	9,419,274	10,245,811	11,638,109	14,202,042	18,550,238	19,096,015	20,315,574
Business-type activities:										
Water and sewer	3,321,289	3,731,195	4,005,541	4,631,080	4,916,788	4,903,159	5,315,912	5,919,630	9,656,676	11,881,707
Total business-type activities expenses	3,321,289	3,731,195	4,005,541	4,631,080	4,916,788	4,903,159	5,315,912	5,919,630	9,656,676	11,881,707
Total primary government expenses	10,323,140	11,736,337	13,123,789	14,050,354	15,162,599	16,541,268	19,517,954	24,469,868	28,752,691	32,197,281
Program revenues										
Governmental activities:										
Charges for services:										
General government	39,836	37,331	34,477	50,297	50,920	48,125	56,068	52,211	60,927	60,927
Public safety	1,379,388	1,312,118	1,502,420	1,862,753	2,093,858	2,665,947	3,189,011	2,515,190	2,235,791	3,277,748
Public works	1,040,913	1,117,330	1,136,205	1,152,822	1,225,842	1,323,327	1,377,109	1,458,329	11,878	11,878
Culture and recreation	23,931	36,741	45,048	44,733	18,364	8,489	23,024	56,016	104,974	104,974
Housing and development	275,555	206,863	272,502	443,791	537,463	682,216	1,067,339	1,366,577	1,185,516	2,319,924
Operating grants and contributions	112,032	291,784	202,841	75,158	92,324	504,804	1,963,491	1,800,150	8,100	1,019,716
Capital grants and contributions	1,168,316	1,498,119	1,414,816	1,452,810	932,199	1,951,516	2,352,260	2,736,012	2,990,340	4,566,049
Total governmental activities program revenues	4,039,971	4,500,286	4,608,309	5,082,364	4,950,970	7,184,424	10,028,302	9,984,485	6,597,526	11,361,216
Business-type activities:										
Charges for services ^(a)	2,863,568	3,229,680	3,243,713	3,473,649	3,575,193	3,788,815	3,986,428	4,298,651	6,549,607	8,073,615
Capital grants and contributions	945,908	270,902	570,800	1,786,381	1,315,222	1,396,950	1,928,772	2,199,890	2,368,182	4,800,269
Total business-type activities program revenues	3,809,476	3,500,582	3,814,513	5,260,030	4,890,415	5,185,765	5,915,200	6,498,541	8,917,789	12,873,884
Total primary government program revenues	7,849,447	8,000,868	8,422,822	10,342,394	9,841,385	12,370,189	15,943,502	16,483,026	15,515,315	24,235,100

(Continued)

CITY OF PORT WENTWORTH, GEORGIA

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General revenues and other changes in net position										
Primary government:										
Governmental activities:										
Property taxes levied for general purposes	\$ 2,498,357	\$ 2,656,996	\$ 2,654,232	\$ 2,793,069	\$ 2,970,095	\$ 3,137,620	\$ 3,576,942	\$ 4,331,576	\$ 4,657,959	\$ 6,346,458
Sales taxes levied for general purposes	1,623,704	1,708,494	1,807,387	1,986,251	1,905,373	2,216,865	2,672,105	3,880,117	4,895,588	4,818,796
Selective sales and use taxes	1,101,673	1,194,761	1,176,980	1,165,574	924,531	1,121,841	1,717,885	1,969,379	2,072,352	2,595,757
Business taxes	404,683	452,408	463,214	513,360	543,057	597,958	610,682	1,156,208	1,159,647	1,221,368
Unrestricted investment earnings	24,434	51,568	103,972	164,616	120,464	14,368	29,909	639,085	1,177,732	810,275
Gain on sale of capital assets	-	1,750	110,221	29,943	15,350	71,417	28,972	-	76,021	31,745
Miscellaneous	108,563	171,806	85,552	84,750	19,896	17,877	32,402	149,653	675,505	522,524
Transfers	(217,267)	-	-	-	-	-	-	(438,540)	(981,610)	(973,787)
Special item	-	-	-	-	-	-	-	-	-	(1,900,000)
Total governmental activities general revenues and changes in net position	5,544,147	6,237,783	6,401,558	6,737,563	6,498,766	7,177,946	8,668,897	11,687,478	13,733,194	13,473,136
Business-type activities:										
Unrestricted investment earnings	15,969	28,753	32,098	38,145	34,849	10,770	15,728	481,976	800,173	763,909
Gain on sale of assets	-	-	-	-	-	-	5,550	-	-	-
Miscellaneous	81,061	110,552	82,503	104,872	116,912	110,877	107,249	144,162	117,239	86,426
Transfers	217,267	-	-	-	-	-	-	438,540	981,610	973,787
Total business type activities, general revenues and changes in net position	314,297	139,305	114,601	143,017	151,761	121,647	128,527	1,064,678	1,899,022	1,824,122
Total primary government general revenues and other changes in net position	5,858,444	6,377,088	6,516,159	6,880,580	6,650,527	7,299,593	8,797,424	12,752,156	15,632,216	15,297,258
Change in net position										
Governmental activities	2,582,267	2,732,927	1,891,619	2,400,653	1,203,925	2,724,261	4,495,157	3,121,725	1,234,705	4,518,778
Business-type activities	802,484	(91,308)	(76,427)	771,967	125,388	404,253	727,815	1,643,589	1,160,135	2,816,299
Total primary government change in net position	\$ 3,384,751	\$ 2,641,619	\$ 1,815,192	\$ 3,172,620	\$ 1,329,313	\$ 3,128,514	\$ 5,222,972	\$ 4,765,314	\$ 2,394,840	\$ 7,335,077

^(a) Revenue growth from year to year due mostly to increased rates for services due to rising energy costs.

CITY OF PORT WENTWORTH, GEORGIA

**FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund:										
Nonspendable	\$ 170,596	\$ 210,781	\$ 47,880	\$ 126,355	\$ 371,118	\$ 60,618	\$ 104,991	\$ 436,064	\$ 79,720	\$ 5,400,066
Committed	-	-	-	-	-	-	1,194,838	1,227,352	1,017,497	1,748,311
Assigned	1,366,028	2,104,636	2,158,215	725,659	1,677,696	1,639,454	4,707,065	849,562	12,964,452	3,648,643
Unassigned	11,693,257	11,774,380	11,963,324	14,729,700	13,731,036	14,727,347	10,690,535	13,990,501	6,477,834	(4,699,261)
Total General Fund	<u>13,229,881</u>	<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>	<u>16,697,429</u>	<u>16,503,479</u>	<u>20,539,503</u>	<u>6,097,759</u>
All other governmental funds:										
Restricted, reported in:										
Special Revenue Funds	48,811	2,300	26,860	22,583	4,827	197,525	1,841,732	34,632	285,621	478,922
Capital Projects Funds	2,926,624	3,055,408	4,195,436	3,801,265	2,546,666	3,539,060	3,657,374	4,834,200	4,298,465	6,775,167
Total all other governmental funds	<u>2,975,435</u>	<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>	<u>5,499,106</u>	<u>4,868,832</u>	<u>4,584,086</u>	<u>7,254,089</u>
Total all governmental funds	<u>\$ 16,205,316</u>	<u>\$ 17,147,505</u>	<u>\$ 18,391,715</u>	<u>\$ 19,405,562</u>	<u>\$ 18,331,343</u>	<u>\$ 20,164,004</u>	<u>\$ 22,196,535</u>	<u>\$ 21,372,311</u>	<u>\$ 25,123,589</u>	<u>\$ 13,351,848</u>

CITY OF PORT WENTWORTH, GEORGIA

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Taxes	\$ 5,628,912	\$ 6,015,401	\$ 6,105,418	\$ 6,461,749	\$ 6,312,188	\$ 7,073,836	\$ 8,513,154	\$ 11,210,212	\$ 12,771,654	\$ 14,988,460
Licenses and permits	267,807	183,783	237,838	377,429	439,427	537,048	829,030	982,092	956,847	2,091,255
Intergovernmental	1,219,179	1,776,475	1,371,743	1,631,040	941,170	2,453,509	4,277,007	4,436,253	2,779,240	4,381,439
Charges for services	1,421,776	1,528,625	1,601,632	1,722,797	1,904,843	2,072,608	2,470,934	2,742,539	1,203,851	1,817,454
Fines and forfeitures	1,126,326	1,001,273	1,175,742	1,454,170	1,654,808	2,118,568	2,449,519	1,723,692	1,446,488	1,866,742
Miscellaneous	109,062	176,631	290,938	266,234	151,082	33,903	59,016	888,647	2,064,337	1,517,408
Total revenues	<u>9,773,062</u>	<u>10,682,188</u>	<u>10,783,311</u>	<u>11,913,419</u>	<u>11,403,518</u>	<u>14,289,472</u>	<u>18,598,660</u>	<u>21,983,435</u>	<u>21,222,417</u>	<u>26,662,758</u>
Expenditures										
Current:										
General government	617,328	630,250	781,951	3,149,617	1,510,460	1,116,827	1,847,470	3,683,391	2,777,682	2,954,130
Judicial	181,709	197,842	215,131	236,924	217,668	663,611	713,200	550,294	548,486	689,150
Public safety	3,125,259	4,591,347	5,398,434	5,308,910	5,311,548	6,305,250	7,731,788	11,938,496	12,355,845	18,429,833
Public works	2,020,697	2,294,638	2,543,064	1,308,331	1,373,029	1,640,162	1,654,192	2,976,664	1,613,296	2,764,238
Culture and recreation	564,132	616,920	866,871	679,121	565,726	549,511	701,731	887,872	5,026,737	6,460,362
Housing and development	359,926	253,370	286,177	677,404	612,880	720,003	787,777	681,722	755,840	1,414,315
Intergovernmental	418,573	468,670	460,240	449,640	317,292	196,763	844,082	778,154	603,620	760,232
Capital outlay	292,100	1,036,322	90,684	1,741,832	2,082,669	836,081	2,128,103	1,414,824	3,239,074	991,595
Debt service:										
Principal	-	145,554	247,134	395,129	413,090	421,377	405,957	583,596	804,173	1,716,278
Interest and fiscal charges	-	5,577	28,375	49,615	105,163	93,493	86,232	94,223	385,994	528,496
Total expenditures	<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>16,900,532</u>	<u>23,589,236</u>	<u>28,110,747</u>	<u>36,708,629</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,193,338</u>	<u>441,698</u>	<u>(134,750)</u>	<u>(2,083,104)</u>	<u>(1,106,007)</u>	<u>1,746,394</u>	<u>1,698,128</u>	<u>(1,605,801)</u>	<u>(6,888,330)</u>	<u>(10,045,871)</u>
Other financing sources (uses)										
Proceeds from the sale of capital assets	12,963	1,750	18,500	36,951	15,350	85,235	84,016	159,762	417,308	98,688
Issuance of debt	-	441,868	1,258,928	3,060,000	-	-	245,280	621,815	10,222,300	120,429
Insurance recoveries	28,818	56,873	101,532	-	-	1,033	5,107	-	-	-
Transfers in	418,740	468,857	460,424	449,854	317,421	402,268	2,451,916	6,178,916	847,220	1,245,051
Transfers out	(418,740)	(468,857)	(460,424)	(449,854)	(317,421)	(402,268)	(2,451,916)	(6,178,916)	(847,220)	(2,065,676)
Total other financing sources (uses)	<u>41,781</u>	<u>500,491</u>	<u>1,378,960</u>	<u>3,096,951</u>	<u>15,350</u>	<u>86,268</u>	<u>334,403</u>	<u>781,577</u>	<u>10,639,608</u>	<u>(601,508)</u>
Special item	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(633,333)</u>
Net change in fund balances	<u>\$ 2,235,119</u>	<u>\$ 942,189</u>	<u>\$ 1,244,210</u>	<u>\$ 1,013,847</u>	<u>\$ (1,090,657)</u>	<u>\$ 1,832,662</u>	<u>\$ 2,032,531</u>	<u>\$ (824,224)</u>	<u>\$ 3,751,278</u>	<u>\$ (11,280,712)</u>
Debt service as a percentage of noncapital expenditures	<u>0.00%</u>	<u>2.07%</u>	<u>3.41%</u>	<u>4.98%</u>	<u>5.48%</u>	<u>4.84%</u>	<u>3.60%</u>	<u>3.88%</u>	<u>6.99%</u>	<u>11.69%</u>

CITY OF PORT WENTWORTH, GEORGIA

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

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Local Option Sales Tax</u>	<u>Business and Insurance Premium Tax</u>	<u>Malt and Alcohol Beverage Tax</u>	<u>Hotel/Motel Tax</u>	<u>Utility and Cablevision Franchise Fees</u>	<u>Total</u>
2016	\$ 1,764,914	\$ 1,623,704	\$ 404,683	\$ 226,892	\$ 837,311	\$ 771,408	\$ 5,628,912
2017	1,932,764	1,708,494	452,408	223,770	937,517	760,448	6,015,401
2018	1,930,601	1,807,387	463,214	217,995	920,656	765,565	6,105,418
2019	1,994,103	1,986,251	513,360	229,081	899,458	839,496	6,461,749
2020	2,137,550	1,905,373	543,057	255,987	634,712	838,509	6,315,188
2021	2,374,297	2,216,865	597,958	280,769	791,601	812,346	7,073,836
2022	2,661,342	2,672,105	610,682	278,186	1,303,083	987,756	8,513,154
2023	3,151,098	3,880,117	1,156,208	289,617	1,556,304	1,176,868	11,210,212
2024	3,611,156	4,895,588	1,159,647	281,475	1,694,650	1,129,138	12,771,654
2025	5,190,739	4,818,796	1,221,368	256,237	2,213,347	1,287,973	14,988,460

Source: City records

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

CITY OF PORT WENTWORTH, GEORGIA

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

Fiscal Year Ended June 30,	Digest Tax Year	Real Property		Personal Property		Utilities and Other Property		Total		Ratio of Total Assessed to Total Estimated Value	Total Direct Tax Rate
		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2016	2015	\$ 281,652,765	\$ 704,131,913	\$ 85,369,603	\$ 213,424,008	\$ 11,114,168	\$ 27,785,419	\$ 378,136,536	\$ 945,341,340	40%	4.711
2017	2016	307,916,506	769,791,265	93,876,694	234,691,735	12,032,097	30,080,243	413,825,297	1,034,563,243	40%	4.571
2018	2017	342,927,156	857,317,890	85,946,140	214,865,350	14,781,559	36,853,897	443,654,855	1,109,037,137	40%	4.571
2019	2018	351,466,530	878,666,325	71,622,106	179,055,265	16,827,345	42,068,362	439,915,981	1,099,789,952	40%	4.571
2020	2019	388,761,842	971,904,605	89,535,446	223,838,615	13,707,836	34,269,589	492,005,124	1,230,012,809	40%	4.160
2021	2020	421,276,160	1,053,190,400	93,802,642	234,506,605	14,689,578	36,723,944	529,768,380	1,324,420,949	40%	4.160
2022	2021	453,349,046	1,133,372,615	74,824,400	187,311,000	14,720,928	36,802,319	542,894,374	1,357,485,934	40%	4.160
2023	2022	680,276,722	1,700,691,805	94,973,388	237,433,470	16,622,668	41,556,669	791,872,778	1,979,681,944	40%	4.160
2024	2023	711,310,642	1,778,276,605	90,119,827	225,299,568	17,281,278	43,203,194	818,711,747	2,046,779,367	40%	4.160
2025	2024	853,683,894	2,134,209,735	81,700,633	204,251,583	18,420,615	46,051,537	953,805,142	2,384,512,855	40%	5.216

Source: Chatham County Tax Assessor

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

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

CITY OF PORT WENTWORTH, GEORGIA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$1,000 of assessed value)

<u>Fiscal Year</u>	<u>Digest Year</u>	<u>City Direct Rate</u>	<u>Overlapping Rates</u>			<u>Total Direct and Overlapping Rates</u>
			<u>School District</u>	<u>County</u>	<u>State</u>	
2016	2015	4.571	16.631	11.543	0.050	32.795
2017	2016	4.571	16.631	11.543	-	32.745
2018	2017	4.571	16.631	11.543	-	32.745
2019	2018	4.571	18.881	11.543	-	34.995
2020	2019	4.160	18.881	11.543	-	34.584
2021	2020	4.160	18.881	11.543	-	34.584
2022	2021	4.160	18.881	11.543	-	34.584
2023	2022	4.160	18.881	11.543	-	34.584
2024	2023	4.160	17.631	10.518	-	32.309
2025	2024	5.216	17.631	10.518	-	33.365

Source: Chatham County Commission - Board minutes and City records

CITY OF PORT WENTWORTH, GEORGIA

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2025			2016		
	Taxable Assessed Value (In thousands)	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value (In thousands)	Rank	Percentage of Total City Taxable Assessed Value
Duke Realty Limited Partnership	\$ 120,673,472	1	12.65%	\$ 49,082,976	1	12.86%
EIP Pinder Point Norwood, LLC	23,856,560	2	2.50%	-		0.00%
DSI Realty Company Inc	22,197,240	3	2.33%	-		0.00%
RVF Rice Hope Property, LLC	23,662,240	4	2.23%	-		0.00%
OREI Pointe Grand Property Owner, LLC	20,507,360	5	2.15%	-		0.00%
Chatham-Coldbrook Associates LLC	16,128,000	6	1.69%	-		0.00%
LRE Crossgate North, LLC	14,647,440	7	1.54%	-		0.00%
RC Residential LLC	10,062,080	8	1.05%	9,206,795	5	2.41%
LRE Crossgate South, LLC	9,188,760	9	0.96%	-		0.00%
Crescent Investments Inc.	7,200,000	10	0.75%	-		0.00%
NGK Automotive Ceramics USA	-		0.00%	8,770,019	6	2.30%
CRHECI 1, LLC	-		0.00%	10,699,320	2	2.80%
Bayer Cropscience LP	-		0.00%	10,103,837	3	2.65%
Floor & Décor Outlets of America	-		0.00%	9,610,064	4	2.52%
Ascend Performance Materials	-		0.00%	5,130,115	9	1.34%
L-A Savannah - Crossgate LLC	-		0.00%	4,896,720	10	1.28%
Waypoint Savannah Owner, LLC	-		0.00%	7,385,608	7	1.93%
Publix Super Markets, Inc	-		0.00%	5,873,688	8	1.54%
Total	\$ 268,123,152		27.85%	\$ 120,759,142		31.63%

Source: Chatham County Tax Assessor

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

CITY OF PORT WENTWORTH, GEORGIA

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Digest Tax Year	Total Tax Levy	Adjustments	Total Adjusted Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
					Amount	Percentage of Levy		Amount	Percentage of Levy
2016	2015	\$ 1,547,382	\$ (18,023)	\$ 1,529,359	\$ 1,473,984	95.26%	\$ 54,958	\$ 1,528,942	99.97%
2017	2016	1,707,563	(80,312)	1,627,251	1,654,368	96.88%	(27,656)	1,626,712	99.97%
2018	2017	1,806,293	(57,615)	1,748,678	1,735,756	96.09%	-	1,735,756	99.26%
2019	2018	1,790,233	(68,589)	1,721,644	1,716,455	95.88%	-	1,716,455	99.70%
2020	2019	1,830,010	(48,607)	1,781,403	1,764,830	96.44%	-	1,764,830	99.07%
2021	2020	1,956,854	(100,461)	1,856,393	1,820,040	93.01%	-	1,820,040	98.04%
2022	2021	2,017,345	(62,875)	1,954,470	1,937,726	96.05%	-	1,937,726	99.14%
2023	2022	2,964,443	(491,127)	2,473,316	2,456,203	82.86%	-	2,456,203	99.31%
2024	2023	2,884,541	(89,050)	2,795,491	2,698,585	93.55%	-	2,698,585	96.53%
2025	2024	4,915,224	(404,178)	4,511,046	4,414,014	89.80%	-	4,414,014	97.85%

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 cancellations, releases, errors, and additions.

CITY OF PORT WENTWORTH, GEORGIA

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

Fiscal Year	Governmental Activities				Business-Type Activities			Total Primary Government	Per Capita
	Notes Payable	Financed Purchases	Leases	SBITAs	Water and Sewer Notes	Financed Purchases			
2016	\$ -	\$ -	\$ -	\$ -	\$ 6,088,698	\$ -	\$ 6,088,698	\$ 870	
2017	-	296,314	-	-	5,833,629	-	6,129,943	766	
2018	-	1,308,108	-	-	5,030,902	37,372	6,376,382	708	
2019	2,481,597	1,487,157	-	-	4,896,540	24,928	8,890,222	988	
2020	2,257,754	1,297,686	-	-	4,758,199	12,066	8,325,705	833	
2021	2,028,362	1,105,701	-	-	4,615,798	-	7,749,861	705	
2022	1,793,679	944,718	234,989	-	4,469,198	-	7,442,584	677	
2023	1,552,444	779,001	661,277	35,749	4,318,274	-	7,346,745	668	
2024	10,464,540	1,307,420	508,019	166,619	4,162,901	-	16,609,499	1,186	
2025	9,868,193	429,791	439,333	113,432	4,002,943	-	14,853,692	1,061	

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

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

CITY OF PORT WENTWORTH, GEORGIA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property	Per Capital
2016	\$ -	0.00%	\$ -
2017	-	0.00%	-
2018	-	0.00%	-
2019	-	0.00%	-
2020	-	0.00%	-
2021	-	0.00%	-
2022	-	0.00%	-
2023	-	0.00%	-
2024	-	0.00%	-
2025	-	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, 2025**

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to the City ⁽¹⁾</u>	<u>Amount Applicable to the City</u>
Overlapping debt repaid with property taxes:			
Chatham County			
DSA Union Mission Series 2009	\$ 800,000	3.75%	\$ 30,000
DSA Chatham County Projects Series 2014	1,005,000	3.75%	37,688
DSA Judicial Complex Project Series 2020	67,415,000	3.75%	2,528,063
Unamortized premiums	8,010,683	3.75%	300,401
Overlapping other debt:			
Chatham County leases	1,001,269	4.71%	47,160
Chatham County SBITAs	5,586,239	4.71%	263,112
Subtotal, overlapping debt			3,206,424
City of Port Wentworth direct debt			10,850,749
Total direct and overlapping debt			<u>\$ 14,057,173</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 are borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt of each overlapping payment.

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

CITY OF PORT WENTWORTH, GEORGIA

**LEGAL DEBT MARGIN INFORMATION
LAST TEN CALENDAR YEARS**

	Calendar Year				
	2015	2016	2017	2018	2019
Total assessed value of taxable property	\$ 378,136,536	\$ 413,825,297	\$ 443,654,855	\$ 439,915,981	\$ 492,005,124
Less exemptions for bond purposes	-	-	-	-	-
Net assessed value for bond purposes	<u>\$ 378,136,536</u>	<u>\$ 413,825,297</u>	<u>\$ 443,654,855</u>	<u>\$ 439,915,981</u>	<u>\$ 492,005,124</u>
Debt limit percentage	10%	10%	10%	10%	10%
Debt limit	\$ 37,813,654	\$ 41,382,530	\$ 44,365,486	\$ 43,991,598	\$ 49,200,512
Total net debt applicable to limit of general obligation bonds	-	-	-	-	-
Legal debt margin	<u>\$ 37,813,654</u>	<u>\$ 41,382,530</u>	<u>\$ 44,365,486</u>	<u>\$ 43,991,598</u>	<u>\$ 49,200,512</u>

	Calendar Year				
	2020	2021	2022	2023	2024
Total assessed value of taxable property	\$ 529,768,380	\$ 542,894,374	\$ 791,872,778	\$ 818,711,747	\$ 953,805,142
Less exemptions for bond purposes	-	(9,696,648)	(9,640,803)	(9,394,323)	(4,668,938)
Net assessed value for bond purposes	<u>\$ 529,768,380</u>	<u>\$ 533,197,726</u>	<u>\$ 782,231,975</u>	<u>\$ 809,317,424</u>	<u>\$ 949,136,204</u>
Debt limit percentage	10%	10%	10%	10%	10%
Debt limit	\$ 52,976,838	\$ 53,319,773	\$ 78,223,198	\$ 80,931,742	\$ 94,913,620
Total net debt applicable to limit of general obligation bonds	-	-	-	-	-
Legal debt margin	<u>\$ 52,976,838</u>	<u>\$ 53,319,773</u>	<u>\$ 78,223,198</u>	<u>\$ 80,931,742</u>	<u>\$ 94,913,620</u>

Source: Consolidation and evaluation digest.

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

CITY OF PORT WENTWORTH, GEORGIA

DEMOGRAPHIC STATISTICS LAST TEN CALENDAR YEARS

Calendar Year	Population in thousands ⁽¹⁾	Personal Income ⁽¹⁾	Per Capita Personal Income ⁽²⁾	Unemployment Rate ⁽³⁾
2015	7	\$ 217,927,500	\$ 29,057	6.30%
2016	8	275,624,000	34,453	5.00%
2017	9	272,352,000	34,044	4.60%
2018	9	342,232,000	42,779	3.80%
2019	10	342,612,000	38,068	3.50%
2020	11	368,200,000	36,820	4.50%
2021	11	345,740,000	34,574	3.10%
2022	11	376,570,000	37,657	3.20%
2023	14	328,120,000	25,240	3.50%
2024	15	431,858,000	30,847	3.20%

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

⁽²⁾ Estimated based upon the municipal population and per capita personal income presented

⁽³⁾ **Source** - State Department of Labor

CITY OF PORT WENTWORTH, GEORGIA

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Employer	2024			2015		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Gulfstream Aerospace Corp.	13,115	1	6.41%	11,450	1	6.90%
Fort Stewart/Hunter Army Airfield	6,579	2	3.21%	3,891	4	2.35%
Savannah Chatham County Public School System	5,650	3	2.76%	5,092	3	3.07%
St Joseph's/Candler Health System	4,963	4	2.42%	3,617	5	2.18%
Memorial Health	4,300	5	2.10%	5,147	2	3.10%
Georgia Southern University	2,707	6	1.32%	-		0.00%
Chatham County	2,345	7	1.15%	1,573	10	0.95%
Savannah College of Art and Design	2,280	8	1.11%	1,700	9	1.02%
City of Savannah	2,254	9	1.10%	2,557	6	1.54%
Colonial Group, Inc.	2,249	10	1.10%	-		0.00%
Wal-Mart Store, Inc.	-		0.00%	1,890	7	1.14%
Effingham Co. Board of Ed.	-		0.00%	1,748	8	1.05%
Total	46,442		22.68%	38,665		23.30%

Source: Savannah Area Chamber of Commerce and the Georgia Department of Labor. The data is calendar year based and 2024 is the latest data available.

CITY OF PORT WENTWORTH, GEORGIA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
BY FUNCTION
LAST TEN FISCAL YEARS

Function	Full-time and Part-time City Employees as of June 30,				
	2016	2017	2018	2019	2020
General government	5	4	2	7	6
Judicial	2	4	2	2	2
Legislative	6	6	6	6	6
Protective inspections	1	2	2	3	3
Public safety	41	44	45	56	56
Public works	3	3	2	-	-
Culture and recreation	10	13	15	19	8
Water and sewer services	10	10	12	-	1
Total	78	86	86	93	82

Function	Full-time and Part-time City Employees as of June 30,				
	2021	2022	2023	2024	2025
General government	5	6	14	13	12
Judicial	2	2	2	2	2
Legislative	5	8	7	7	7
Protective inspections	4	3	3	4	6
Public safety	71	74	73	79	100
Public works	-	1	5	7	9
Culture and recreation	8	9	11	8	14
Water and sewer services	2	2	5	7	9
Total	97	105	120	127	159

Source: City records.

CITY OF PORT WENTWORTH, GEORGIA

**OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2016	2017	2018	2019	2020
Police					
Arrests	1,207	1,261	1,346	1,252	1,024
Fire					
Number of emergency calls	1,263	994	1,362	1,550	1,496
Inspections	265	246	271	280	340
Public works					
Streets resurfaced (miles)	1	1	-	1	2
Parks and recreation					
Number of facility rentals	365	346	364	350	231
Water					
New connections	133	418	59	120	145
Average daily water use (thousands of gallons)	921	444	927	943	1,088
Sewer					
New connections	133	418	59	120	145
Average daily sewage treatment (thousands of gallons)	825	600	800	900	1,203
	Fiscal Year				
	2021	2022	2023	2024	2025
Police					
Arrests	956	1,150	913	901	895
Fire					
Number of emergency calls	1,866	1,904	2,278	2,230	2,446
Inspections	295	251	387	475	1,742
Public works					
Streets resurfaced (miles)	-	-	0.20	0.23	-
Parks and recreation					
Number of facility rentals	153	274	349	476	993
Water					
New connections	117	184	66	356	438
Average daily water use (millions/thousands of gallons)	1,001	956	965	1.49	1.75
Sewer					
New connections	117	184	66	356	438
Average daily sewage treatment (millions/thousands of gallons)	1,071	900	955	1.20	1.38

Sources: City records.

CITY OF PORT WENTWORTH, GEORGIA

**CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2016	2017	2018	2019	2020
Police					
Stations	1	1	1	1	1
Fire					
Stations	2	2	2	2	2
Public works					
Streets (miles)	54	54	54	54	55
Streetlights	906	906	906	906	1,010
Traffic signals	11	11	11	11	13
Parks and recreation					
Parks and recreation	5	5	5	5	5
Community centers	4	4	4	3	3
Water					
Water mains (miles)	51	51	51	51	52
Maximum daily capacity (thousands of gallons)	3100	3100	3100	3100	3100
Sewer					
Sanitary sewers (miles)	51	51	51	51	52
Maximum daily treatment capacity (millions of gallons)	4	4	4	2	2

	Fiscal Year				
	2021	2022	2023	2024	2025
Police					
Station and substation	1	1	1	2	2
Fire					
Stations	2	2	2	2	3
Public works					
Streets (miles)	55	56	56	59	70
Streetlights	1,031	976	976	990	2,325
Traffic signals	16	13	15	15	15
Parks and recreation					
Parks and recreation	6	6	6	6	6
Community centers	3	3	3	3	3
Water					
Water mains (miles)	53	53	53	54	59
Maximum daily capacity (thousands of gallons)	3100	3100	2	2	2
Sewer					
Sanitary sewers (miles)	51	53	53	54	59
Maximum daily treatment capacity (millions of gallons)	2	2	2	2	2

Sources: Various City departments.

COMPLIANCE SECTION



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, 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, 2025, and the related notes to financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 11, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Mauldin & Jenkins, LLC

Savannah, Georgia
June 11, 2026



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

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

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the City of Port Wentworth, Georgia's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 2025. The City's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2025.

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Mauldin & Jenkins, LLC

Savannah, Georgia
June 11, 2026

CITY OF PORT WENTWORTH, GEORGIA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass-through Grantor/Program Title	Federal AL Number	Grant Identification Number	Total Expenditures
<u>U.S. Department of Homeland Security</u>			
Passed through Georgia Emergency Management Agency			
Disaster Grants - Public Assistance	97.036	DR-4830-GA	\$ 522,696
Disaster Grants - Public Assistance	97.036	DR-4821-GA	130,435
Hazard Mitigation Grant	97.039	HMGP-4600-0006	819,463
Building Resilient Infrastructure and Communities Grant	97.047	EMA-2022-BR-015-0008	<u>357,375</u>
Total U.S. Department of Homeland Security Programs			<u>1,829,969</u>
Total Expenditures of Federal Awards			<u>\$ 1,829,969</u>

CITY OF PORT WENTWORTH, GEORGIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1. BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Port Wentworth, Georgia (the "City") and is presented on the accrual basis of accounting for the proprietary fund types and the modified accrual basis of accounting for governmental fund types.

The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations ("CFR") Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2. DE MINIMIS INDIRECT COST RATE

The City chose not to use the 10% de minimis cost rate for the fiscal year ended June 30, 2025.

NOTE 3. NON-CASH AWARDS

The City did not receive non-cash federal awards during the year ended June 30, 2025.

NOTE 4. SUBRECIPIENTS

The City did not pass any federal funding through to subrecipients during the year ended June 30, 2025.

CITY OF PORT WENTWORTH, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

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

Internal control over financial reporting:
 Material weaknesses identified? ___ Yes X No

Significant deficiencies identified not considered to be material weaknesses? ___ Yes X None reported

Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

Internal control over major programs:
 Material weaknesses identified? ___ Yes X None Reported

Significant deficiencies identified not considered to be material weaknesses? ___ Yes X None Reported

Type of auditor's report issued on compliance for major programs. Unmodified

Any audit findings disclosed that are required to be reported in accordance with the 2 CFR 200.516(a)? ___ Yes X No

Identification of major programs:

Name of Federal Program or Cluster

AL #97.039 **U.S. Department of Homeland Security**
Hazard Mitigation Grant

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee ___ Yes X No

CITY OF PORT WENTWORTH, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION III
FEDERAL AWARD FINDINGS AND RESPONSES

None reported.

SECTION IV
STATUS OF PRIOR YEAR FINDINGS

None reported.