HINESVILLE
GEORGIA
"Home for a Day or a Lifetime"

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED OCTOBER 31, 2017

Prepared by:
City of Hinesville
Finance Department

HINESVILLE
GEORGIA

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HINESVILLE
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April 23, 2018

To the Honorable Mayor, City Council
And Citizens of City of Hinesville:

We are pleased to present the Comprehensive Annual Financial Report of the City of Hinesville, Georgia (the "City") for the fiscal year ended October 31, 2017 to Your Honorable Body, the Mayor and the citizens of Hinesville. This report consists of management's representations concerning the finances of the City of Hinesville. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operation of the various funds and account groups to the City. All disclosures necessary to enable the reader to gain a full understanding of the City's financial activities have been included.

State law requires that every local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill this requirement for the fiscal year ended October 31, 2017.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the City's organizational chart and a list of principal officials. The financial section includes the Management's Discussion and Analysis, basic financial statements for governmental and proprietary funds; notes to the financial statements and the combining and individual fund statements and schedules for the non-major governmental, special revenue, capital project, and proprietary funds. The statistical section presents selected and un-audited financial and demographic information.

The City of Hinesville's primary government's financial statements have been audited by Mauldin and Jenkins, LLC. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Hinesville for the fiscal year ended October 31, 2017 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors have concluded, based upon their audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Hinesville and its component unit's financial statements for the fiscal year ended October 31, 2017 are fairly presented and conform to generally accepted accounting principles in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Hinesville's MD&A can be found immediately following the auditor's report in the financial section of this report.

The City of Hinesville received federal financial assistance through various federal grant programs. An audit in accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), "Audits of State and Local Governments and Non-Profit Organizations", and "Government Auditing Standards" issued by the Comptroller General of the United States has been performed for the fiscal year ended October 31, 2017. The required reports are included in the Single Audit section of this report.

Profile of the Government

The City of Hinesville was incorporated on July 24, 1916 by the General Assembly of Georgia and is a designated Tree City, a certified City of Ethics and a Georgia City of Excellence. The City of Hinesville is located in northern Liberty County. The City has an estimated population just over 37,000, is 21.18 square miles and consists of 13,557.16 square acres.

The City operates under a charter which provides for a Mayor-Council form of government with a City Manager. The Mayor and five council members are considered to be part-time. Each Council member is elected by their respective districts and elections are held every four years. The Mayor is elected by a majority vote of the voters voting on a City-wide basis. The mayor and council take office on the first day of January following the general municipal election for a term of four years. It is the duty of the Council members, in general, to set policy, set millage rates, to approve budgets, to pass ordinances and to hear and act on requests for rezoning and annexation. The City Manager is appointed by the Mayor and Council to manage the government through the development, implementation, and execution of programs and policies established by the council.

With its population of 33,437 (2010 census), Hinesville is the largest city in Liberty County, the second largest city in the coastal region and 24^{h} largest city in the State of Georgia. From 1980 to 1990, Hinesville experienced a rapid period of growth and expansion. In 1980, Hinesville's population stood at 11,309 persons, which accounted for 29.8% of Liberty County's population. By 1990 the City's population grew by an astounding 91.02% to

21,603, which accounted for 41.0% of Liberty County's population. By 2000 the City's population once again showed significant growth at 30,392, a 40.68% growth accounting for 49.33% of the total population of Liberty County. Today, the population growth potential of Hinesville continues to be the highest of all the county's municipalities.

It is important to note, even in growth the City still retains a small town atmosphere where newcomers and longtime residents work hand-in-hand to achieve a better community. The City has an established expandable urban services system and financial ability to support its population growth. Recognized as one of the fastest growing cities in Georgia, Hinesville is understandably proud of its progressive leadership and popularity.

The City provides a full range of services to its citizens, including police and fire protection; a municipal court system; curbside solid waste collection; recycling service centers; water and storm water management; as well as other general government services. Wastewater treatment is provided to the city residents by a regional sewage treatment plant located on Fort Stewart and a Water Reclamation Facility located on JV Road. Both facilities are operated by ESG Operations, Inc. ESG provides several other services to the citizens of Hinesville to include street maintenance, utility maintenance, sanitation, and stormwater services.

Public Safety

<u>Police</u>

The Hinesville Police Department is dedicated to making Hinesville a secure and pleasant place to live and work. Officers are trained to enforce city ordinances and state laws within Hinesville's city limits.

In 2017, the Department issued 67,813 case numbers which are assigned to police activities including calls for service, walk and talks, direct patrols, assist citizens, etc. Officers responded to 21, 938 calls for service including the following Part I crimes: 65 aggravated assault cases, 58 cases of auto theft, 4 homicides, 26 rape cases, 37 robbery cases, 247 cases of burglary and 2 cases of arson. In addition, the department assisted other local agencies such as the Sheriff's Department, Georgia State Patrol and Fort Stewart's Criminal Investigation Command (CID). Hinesville's police officers arrested 308 juvenile offenders and 3,119 adult offenders during 2017. On the road, the patrol division and the traffic section worked 1,597 accidents, wrote 6,864 citations and gave 5,108 traffic warnings.

The Department continues to engage in an aggressive crime prevention program by conducting Citizens' Police academies, fostering Neighborhood Watch groups, as well as promoting and participating in National Night Out and Safe Kids Day.

<u>Municipal Court</u>

The municipal court represents the City of Hinesville's judicial branch of government and provides a forum for individuals charged with violations of traffic, some state law and/or city ordinances. The City of Hinesville's court is presided over by a judge that is appointed by the Mayor and City Council and remains neutral and impartial to ensure the fair hearing of each case.

The City of Hinesville also has an in house Probation Department which is closely connected with the Municipal Court. The judge will often sentence persons to probation. They are then monitored by probation officers who ensure that they comply with any court ordered counseling and complete any other programs that the judge may order.

Fire

The Hinesville Fire Department is an ISO (Insurance Services Office) Class 3 certified Fire Department. Our firefighters receive extensive training starting at the entry level positions. Training is continuous throughout each member's career and he must meet the department's Progressive Training Agenda requirements that establish training criteria for all positions within the Department. A firefighter that is just starting with the department that has no training would need to obtain approximately 649 hours of training in order to obtain his basic firefighter requirements.

The Hinesville Fire Department is the only full time department in Liberty County and has mutual aid agreements with all 5 county fire departments, Long County Fire Department and Fort Stewart Fire Department. This department responds to an average of 3,362 emergency incidents per year with an average response time within the City Limits of five minutes. Since 1994 the department has grown from five (5) personnel on shift with three (3) administrative staff to 14 personnel on shift with an administrative staff of seven (7).

Our department provides more than just fire protection to our citizens. It provides many other services to include Public Safety Education, inspections, investigations, extrication and First Responders. The department has special operation teams for hazardous material incidents and provides highly trained firefighters for the Georgia Search and Rescue Team. It is a pro-active department that stresses professionalism and gives a high standard of service to our customers both external and internal.

Examples of some of the Public Safety Education opportunities provided by the department are the Fire Safety House, babysitting classes, CPR/1st Aid classes, station tours, smoke detector program, Juvenile Fire Setter Program, and the Hazard House. Over the past 5 years, this department has made contact with 184,844 people with 1828 events. The people contacted range from very young children to senior citizens in the community. The Fire Safety House is scheduled for each elementary school in Liberty County to ensure that the children are educated in emergency procedures during a fire in their home and also to recognize fire hazards in their home.

We house the hazardous materials trailer and truck for the Region 8 HAZMAT Team. Our department will respond to any hazardous material incidents in the six coastal counties and the six counties immediately inland. The equipment was purchased with two grants received from Georgia Emergency Management Agency (GEMA). The City's fire department provides 6 personnel to the regional Georgia Search and Rescue (GSAR) team. Each member is required to have extensive training to include rope rescue, swift water rescue, heavy machinery extrication, structural collapse, confined space and trench rescue. This training takes approximately 11 months for each member.

The Hinesville Fire Department conducted 1356 inspections from January 1^{st} 2017 through December 31^{st} 2017. The Hinesville Fire Departments Bureau of Prevention is made up of one Fire Marshal and one Deputy Fire Marshal. Both are sworn Local State Fire Marshals, and conduct fire safety inspections on each business located in the city limits of Hinesville, Georgia as well as the City Limits of Flemington, Georgia. Each business is inspected once every six months. If a violation is found, a follow-up inspection is conducted at 30, 15, and 7 day increments until the violation is corrected. A majority of businesses will correct the violation within the first 30 days.

Local Economy

The City of Hinesville continues to be a prosperous municipality. With over 1000 registered businesses, the City also issues over 1,500 licenses and permits each year. For fiscal year 2017, the business license office issued 147 new licenses. Hinesville is home to Fort Stewart Military Reservation, one of the largest active military bases in the country and the largest Army installation east of the Mississippi River. Fort Stewart consists of approximately 280,000 acres, includes 5 counties and is adjacent to Hinesville’s downtown area. The main gate into Fort Stewart is located within the City of Hinesville. Over 70% of military personnel residing off the installation live in Hinesville. Fort Stewart and the City of Hinesville are inextricably linked both economically and culturally. More than any other factor, Fort Stewart has shaped the economic health and image of Hinesville.

Downtown Revitalization

The City of Hinesville activated a group of individuals to form the Hinesville Downtown Development Authority (HDDA). Its mission is to create a sustainable, revitalized, and vibrant downtown that is an economic hub, while enhancing the quality of life for the community. It is the HDDA’s vision to develop the downtown as a unique, vibrant and attractive economic and cultural destination. The Board that serves on this authority consists of seven citizens.

Financial Planning

Consistent with its past practices the City adopted a conservative approach in defining the 2017 budget.

Each year the City performs a review of financial trends and updates its five-year financial plan. This long-range planning accomplishes two important objectives. First, it allows for the early identification of challenges. Secondly, it provides information to elected officials for policy setting. As a result, potential problems are addressed proactively.

Financial Information

The Accounting System:
The City maintains nine funds: General Fund, Special Revenue Funds (Multiple Grant Fund, Hotel/Motel Tax Fund), Capital Project Funds (SPLOST and LMIG Funds), and Proprietary Funds (Water & Sewer Fund, Sanitation Fund, Transit Fund and Stormwater Utility Fund). The description of these fund types can be found in the Notes to the Financial Statements.

The accompanying financial statements and statistical tables were prepared in conformance with generally accepted accounting principles (GAAP), and with standards set forth and guidance provided by:

(1) The Governmental Accounting Standards Board (GASB)
(2) The American Institute of Certified Public Accountants and its committee on Governmental Accounting and Auditing.
(3) The Governmental Finance Officers Association of the United States and Canada (GFOA)

Budgetary Controls
The annual budget currently serves as the foundation for the City of Hinesville's financial planning and control. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Mayor and Council. An annual operating budget is adopted for the general fund and special revenue funds. An annual operating budget is prepared for enterprise funds for planning, control, cost allocation and evaluation purposes. All annual appropriations lapse at the fiscal year end. As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

Independent Audit
Georgia Code requires an annual audit by independent certified public accountants. The City selected the accounting firm of Mauldin and Jenkins, LLC to complete the audit of the 2017 fiscal year and the Auditor's unmodified opinion has been included in this report.

Awards and Acknowledgements:

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the years ended October 31, 2005, through 2016. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized Comprehensive Annual Financial Report. A Certificate of Achievement is valid for a period of one year only. We believe our current CAFR continues to meet the GFOA's Certificate of Achievement program requirements. The City plans to submit the CAFR to the GFOA to determine its eligibility for another award.

The City also received the GFOA *Popular Annual Financial Reporting Award* for our annual Citizens' Report for the fiscal years ended October 31, 2006 through 2016. This program recognizes those governments that produce high quality popular annual financial reports (PAFR) designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance. This was the City's tenth Citizens' Report and the tenth year we have received this prestigious award. This award is valid for a period of only one year. We believe our current PAFR continues to meet the program requirements and we plan to submit it to the GFOA to determine its eligibility for another award.

The preparation of the Comprehensive Annual Financial Report could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. We express appreciation to all City of Hinesville officials and employees who assisted and contributed to the operations of the City fiscal year 2017 and the preparation of this report.

Respectfully submitted,

Kimberly T. Ryon
Chief Financial Officer

HINESVILLE
GEORGIA

CITY OF HINESVILLE, GEORGIA

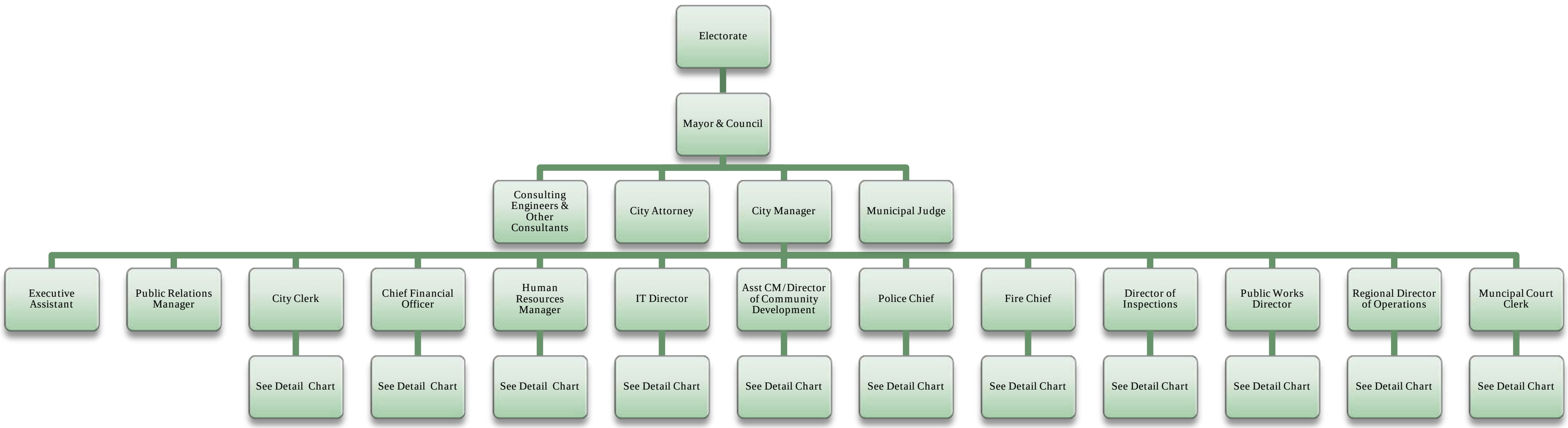
PRINCIPAL OFFICIALS

October 31, 2017

Mayor	Mr. Allen Brown
Mayor Pro Tem	Mr. Kenneth Shaw
Council Member	Ms. Diana F. Reid
Council Member	Mr. Jason Floyd
Council Member	Mr. Keith Jenkins
Council Member	Ms. Vicky Nelson
City Manager	Mr. Kenneth Howard
City Clerk	Mrs. Sarah Lumpkin
City Attorney	Mr. Linnie L. Darden, III
City Auditor	Mauldin and Jenkins, LLC
Chief Financial Officer	Mrs. Kimberly Ryon
Fire Chief	Chief Lamar Cook
Police Chief	Chief George Stagmeier
Public Utilities Manager	Mr. Ben Morrow
Public Works Director	Mr. Gary Gilliard
Director of Inspections	Mr. Steve Welborn

City of Hinesville

FY 2017 Organization Chart



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Hinesville

Georgia

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

October 31, 2016

Christopher P. Morrill

Executive Director/CEO

HINESVILLE
GEORGIA

FINANCIAL SECTION

HINESVILLE
GEORGIA

MAULDIN & JENKINS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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 Hinesville, Georgia** (the "City"), as of and for the year ended October 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Hinesville, Georgia, as of October 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 16), the Schedule of Net Pension Liability and Related Ratios and the Schedule of Employer Contributions (on pages 67 and 68) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Hinesville, Georgia's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of special purpose local option sales tax proceeds is presented for the purpose of additional analysis as required by the Official Code of Georgia 48-8-121, and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance), and is also not a required part of the basic financial statements of the City.

The combining and individual nonmajor fund financial statements and schedules, the schedule of special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, the schedule 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.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 23, 2018, 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 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 of Hinesville's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
April 23, 2018

HINESVILLE
GEORGIA

MANAGEMENT’S DISCUSSION & ANALYSIS

As management of the City of Hinesville (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Hinesville, Georgia for the fiscal year ended October 31, 2017. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this narrative.

Financial Highlights

- The City's total net position (assets and deferred outflows exceeded liabilities and deferred inflows) of $86,018,762 at the close of the fiscal year. The City's total net position is comprised of the following:

  1) Net investment in capital assets in the amount of $78,203,530. This portion of net position includes property and equipment, net of accumulated depreciation, reduced by the amount of outstanding debt related to the purchase or construction of capital assets. Net investment in capital assets decreased by $2,436,906 or 3.02% in fiscal year 2017.

  2) Net position of $1,030,395 are restricted by constraints imposed from outside the city such as debt covenants, grantors, laws or regulations. This is a $48,993 or 4.54% decrease from fiscal year 2016's restricted net position.

  3) Unrestricted net position of $6,784,837 represent the portion that is available to meet the City's ongoing obligations to citizens and creditors. This is a $4,356,658 or 179.42% increase from fiscal year 2016 unrestricted net position of $2,428,179.

- The government's total net position increased by $1,870,759 or 2.22%.
  - Net position related to governmental activities increased by $801,922.
  - Net position related to business-type activities increased by $1,068,837.

- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $5,697,010 an increase of $1,561,731 in comparison with the prior year. Fund balance in the General Fund increased $682,010 which was a result of managing expenses. Fund balance in nonmajor governmental funds increased by $879,721.

- Approximately seventy-two percent (72%) of the City's governmental funds total fund balance, or $2,976,351, is available for spending at the government's discretion (*unassigned fund balance*).

- At the end of the current fiscal year, unassigned fund balance for the General Fund was $3,654,375, or approximately twenty (20%) of total general fund expenditures for the fiscal year.

- The City's total debt increased by $7,735,705 in fiscal year 2017.
    - Debt related to governmental activities decreased by $313,673 as a result of principal payment on Revenue Bonds Refunding Series 2015.
  - Debt related to business-type activities increased by a net of $8,049,378. This detail of the change is:
    - principal payments on Water and Sewerage Revenue Bonds in the amount of $765,529.
    - principal payments on 2009 GEFA debt for the Storm water Utility Fund in the amount of $103,856.
    - principal payments on 2012 GEFA debt for the Water and Sewer Fund in the amount of $77,031.
    - principal payments on capital lease for the Sanitation Fund, in the amount of $52,398.
    - principal payments on capital lease for the Storm water Utility Fund, in the amount $146,759.
    - proceeds from capital lease for the Storm water Utility Fund, in the amount $219,229.
    - the drawdown of 2014 GEFA debt for the Water and Sewer Fund, in the amount of $3,561,689.
    - the drawdown of 2015 GEFA debt for the Water and Sewer Fund, in the amount of $446,477. Total funds drawn on this loan were $744,129 with $297,652 being principal forgiveness.
    - the drawdown of 2016 GEFA debt for the Water and Sewer Fund, in the amount of $4,967,556.

- The City's revenues for fiscal year 2017 total $35,838,200. Of this amount, $19,976,925, or fifty-six percent (56%), was generated from program revenues. The balance of $15,861,275, or forty-four percent (44%), was generated from general revenues.

- The City's program expenses for fiscal year 2017 total $33,967,441. Of this amount, $19,992,225, or fifty-nine percent (59%), was generated from governmental activities. The balance of $13,972,216, or forty-one percent (41%), was generated from business-type activities.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to City of Hinesville, Georgia's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the City through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the City of Hinesville.

Basic Financial Statements

The first two statements (Pages 17 through 20) in the basic financial statements are the *Government-wide Financial Statements*. They provide both short and long-term information about the City's financial status.

The next statements (Pages 21 through 36) are *Fund Financial Statements*. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements and 3) the proprietary fund statements.

The next section of the basic financial statements is the *notes*. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, *supplemental information* is provided to show details about the City's individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

Government-wide Financial Statements
The *government-wide financial statements* are designed to provide the reader with a broad overview of the City's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the City's financial status as a whole.

The *statement of net position* presents information on all of the City's assets and deferred outflows and liabilities and deferred inflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, highways and streets, health, welfare, and culture and recreation. The business-type activities of the City consist of water and sewer services, sanitation services and storm water utility.

The government-wide financial statements are on Pages 17 through 20 of this report.

Fund Financial Statements
The fund financial statements provide a more detailed look at the City's most significant activities. 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 of Hinesville uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the City's budget ordinance. All of the funds of City of Hinesville can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*, which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the City's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The City of Hinesville adopts annual budgets for the General Fund and Special Revenue Funds, as required by State Statute. The budget is a legally adopted document that incorporates input from the citizens of the City, the management of the City, and the decisions of the Council about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund and Multiple Grant Fund demonstrates how well the City complied with the budget ordinance and whether or not the City succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the Statement of Revenues, Expenditures and Changes in Fund Balance. The statement shows four columns: 1) the original budget as adopted by the Council; 2) the final budget as amended by the Council; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

The basic governmental fund financial statements can be found beginning on page 21 of this report.

Proprietary Funds – City of Hinesville has four proprietary funds. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. City uses enterprise funds to account for its water and sewer services, sanitation services, storm water utility and transit services.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund, Sanitation Fund, Transit Fund and Storm Water Utility Fund.

The basic proprietary fund financial statements can be found on pages 27 through 36 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 the financial statements are on pages 37 through 66 of this report.

Government-Wide Financial Analysis

In order to allow for useful comparative analysis, government-wide financial information is provided for fiscal years ended October 31, 2017 and 2016.

City of Hinesville's Net Position
October 31, 2017 and 2016

	Governmental Activities		Business-Type Activities		Total	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**
Assets:						
Assets						
Current and other assets	$ 7,916,790	$ 6,087,173	$ 7,625,892	$ 5,764,443	$ 15,542,682	$ 11,851,616
Capital assets, net	48,505,963	49,538,244	68,877,656	62,546,576	117,383,619	112,084,820
Total Assets	56,422,753	55,625,417	76,503,548	68,311,019	132,926,301	123,936,436
Deferred outflows of resources	1,731,807	1,301,656	53,561	40,257	1,785,368	1,341,913
Liabilities:						
Liabilities						
Long-term liabilities	5,802,294	6,119,540	34,203,987	26,154,645	40,006,281	32,274,185
Other liabilities	858,055	546,488	2,647,181	3,572,865	3,505,236	4,119,353
Net pension liability	4,551,849	3,934,872	140,779	121,697	4,692,628	4,056,569
Total Liabilities	11,212,198	10,600,900	36,991,947	29,849,207	48,204,145	40,450,107
resources	474,099	65,982	14,663	20,407	488,762	86,389
Net position:						
Net investment in capital assets	43,505,785	44,224,393	34,697,745	36,416,043	78,203,530	80,640,436
Restricted	126,480	175,473	903,915	903,915	1,030,395	1,079,388
Unrestricted	2,835,998	1,266,475	3,948,839	1,161,704	6,784,837	2,428,179
Total net position	$ 46,468,263	$ 45,666,341	$ 39,550,499	$ 38,481,662	$ 86,018,762	$ 84,148,003

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 (governmental and business-type activities in total) assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by $86,018,762 and $84,148,003 at October 31, 2017 and 2016, respectively.

The largest portion of the City's net position (91%) reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Hinesville's net position, $1,030,395 or one percent (1%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of the City's net position, $6,784,837 or eight percent 8%, are unrestricted net position and may be used to meet the City's ongoing obligations to citizens and creditors.

The following table indicates the change in net position for governmental and business-type activities for fiscal years 2017 and 2016:

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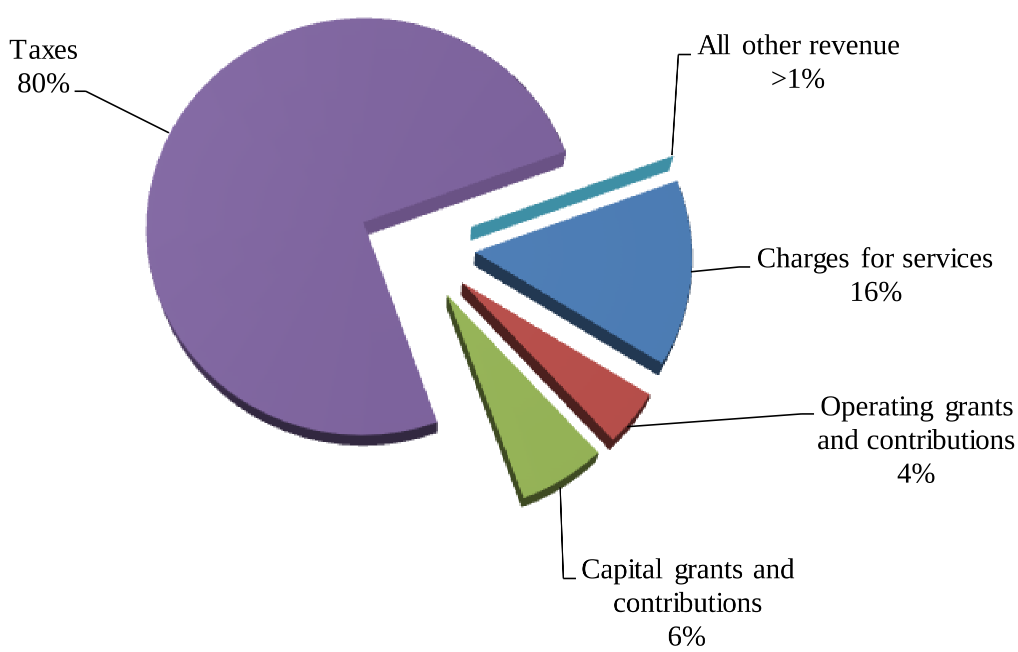
City of Hinesville's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
Revenues:	2017	2016	2017	2016	2017	2016
Program revenues:						
Charges for services	$ 3,013,530	$ 3,047,083	$ 13,910,665	$ 12,939,435	$ 16,924,195	$ 15,986,518
Operating grants and contributions	900,993	410,166	520,803	437,283	1,421,796	847,449
Capital grants and contributions	1,333,282	403,131	297,652	-	1,630,934	403,131
General revenues:						-
Taxes	15,728,268	15,527,802	-	-	15,728,268	15,527,802
Federal/State Grants and other contributions not retricted	23,137	17,005	-	-	23,137	17,005
Other revenue	14,824	50,748	60,086	210,769	74,910	261,517
Gain (loss) on sale of capital assets	-	-	-	-	-	-
Unrestricted Investment earnings	17,745	14,304	17,215	7,141	34,960	21,445
Total revenues	21,031,779	19,470,239	14,806,421	13,594,628	35,838,200	33,064,867
Expenses:						
General government	2,905,460	2,655,291	-	-	2,905,460	2,655,291
Judicial	505,069	497,030	-	-	505,069	497,030
Public safety	9,852,898	9,655,137	-	-	9,852,898	9,655,137
Public works	2,812,958	3,111,754	-	-	2,812,958	3,111,754
Housing and development	2,129,339	1,664,079	-	-	2,129,339	1,664,079
Health and welfare	701,923	669,871	-	-	701,923	669,871
Culture and recreation	941,725	832,611	-	-	941,725	832,611
Interest and fiscal charges	142,853	160,528	-	-	142,853	160,528
Water and sewer	-	-	8,945,220	9,420,497	8,945,220	9,420,497
Sanitation	-	-	2,902,614	2,854,564	2,902,614	2,854,564
Stormwater utility	-	-	1,339,530	1,380,540	1,339,530	1,380,540
Transit	-	-	787,852	687,820	787,852	687,820
Total expenses	19,992,225	19,246,301	13,975,216	14,343,421	33,967,441	33,589,722
Change in net position before transfers	1,039,554	223,938	831,205	(748,793)	1,870,759	(524,855)
Transfers	(237,632)	(209,252)	237,632	209,252	-	-
Change in net position	801,922	14,686	1,068,837	(539,541)	1,870,759	(524,855)
Net position, beginning of year	45,666,341	45,651,655	38,481,662	39,021,203	84,148,003	84,672,858
Net position, end of year	$ 46,468,263	$ 45,666,341	$ 39,550,499	$ 38,481,662	$ 86,018,762	$ 84,148,003

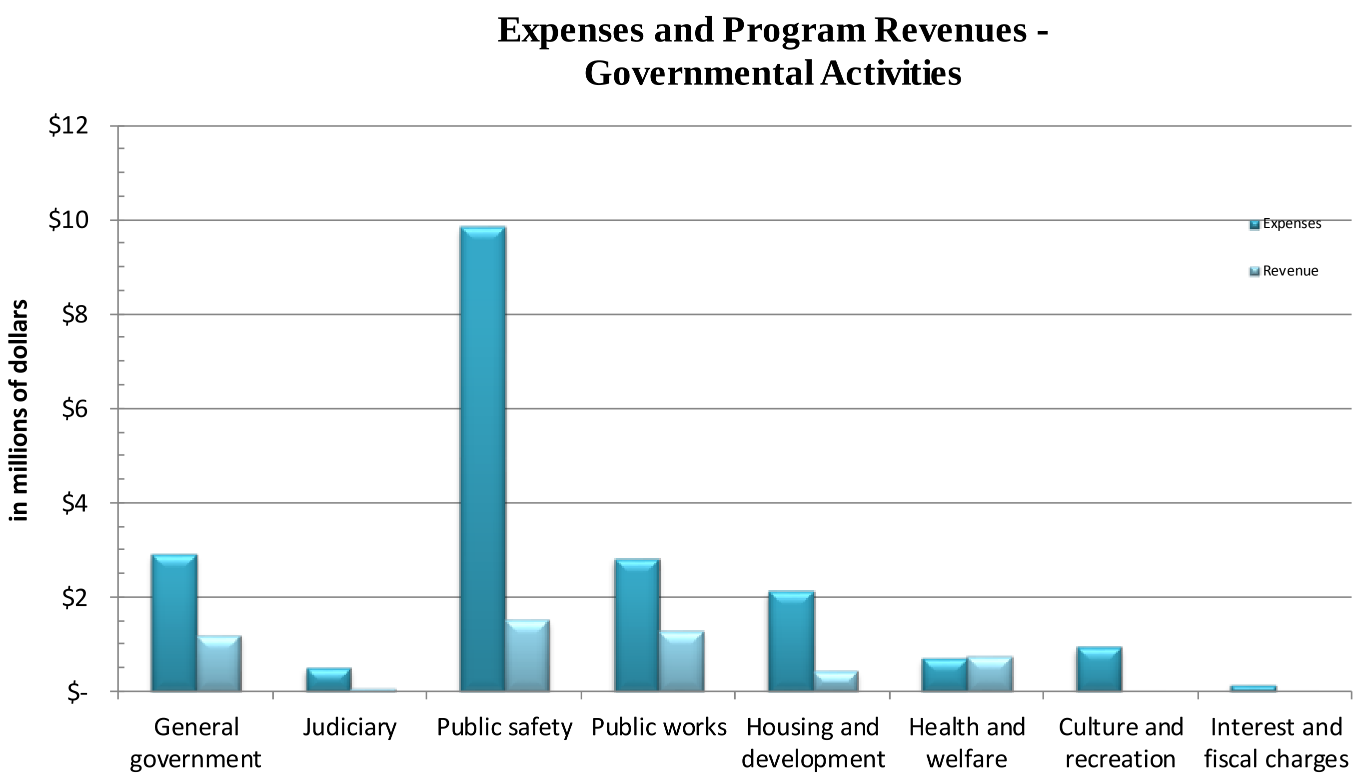
Governmental activities. Governmental activities increased the City's net position by $801,922 and $14,686 as of October 31, 2017 and 2016, respectively. As illustrated in the chart below, taxes constitute the largest single revenue line item at $15,728,268 or seventy-five percent (75%) of total revenue in 2017 and $15,527,802 or eighty percent (80%) of total revenue in 2016. Charges for services represents fourteen percent (14%) and sixteen percent (16%) of total revenue in 2017 and 2016 at $3,013,530 and $3,047,083, respectively.

Revenues by Source - Governmental Activities



The government-wide reporting model provides users with an understanding of how governmental functions are supported. The Statement of Activities identifies specific program revenue that is generated to offset each function's expenses. A function that does not cover its own cost must be supported by general revenues such as property tax, sales tax, franchise tax and other taxes.

The table below illustrates the expenses and corresponding program revenues by function in governmental activities.



Business-type activities: Business-type activities increased the City of Hinesville's net position by $1,068,837 as of October 31, 2017 and decreased it by $539,541 in 2016. In 2017, the increase can be attributed to upgrades at the waste water treatment plant and other infrastructure decreasing repair expenses and diligent managing of other expenses. In addition to managing expenses, revenue increased primarily as a result of commercial growth in the City. The decrease in 2016 can be attributed largely to larger than normal repair expenses for repairs to some of the City's lift stations. The decrease in 2015 is a result of sagging water and sewer revenues which can be at least partially attributed to a very rainy spring and summer.

As expected in business-type activities, charges for services constitute a major portion of revenue at $13,910,665 or ninety-four (94%) and operating grants and contributions are the second largest revenue source constituting $520,803 or three percent (3%) of total revenue in 2017. In 2016, $12,939,435 or ninety-five (95%) and operating grants and contributions are the second largest revenue source constituting $437,283 or three percent (3%) of total revenue in 2016.

Financial Analysis of the City's Funds
As noted earlier, the City of Hinesville uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City of Hinesville's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the City of Hinesville's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the City of Hinesville. At the end of the current fiscal year, unassigned fund balance of the General Fund was $3,654,375, while fund balance totaled $4,347,802. 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 fund expenditures. Unassigned fund balance represents twenty percent (20%) of total General Fund expenditures, while total fund balance represents twenty-four percent (24%) of that same amount.

At October 31, 2017, the governmental funds of City of Hinesville reported a combined fund balance of $5,697,010. This is an increase of $1,561,731 from October 31, 2016. Fund balance in the General Fund increased $682,010 which can be attributed to managing expenditures in relation to revenues. The City also saw revenue growth as a result of commercial growth in the City during 2017. Fund balance in nonmajor governmental funds increased by $879,721.

General Fund Budgetary Highlights: During the fiscal year, the City revised the budget once. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

At October 31, 2017, total actual revenues were more than total final budgeted revenues in the General Fund by $958. The table below shows the variance by revenue type:

General Fund Revenue Budget to Actual Comparison
(in millions of dollars)

	FY 2017 Budget	FY 2017 Actual	Variance - Positive/ (Negative)
Property taxes	$ 7.65	$ 7.78	$ 0.13
Sales taxes	3.58	3.53	(0.05)
Franchise taxes	1.70	1.60	(0.10)
Insurance premium taxes	2.09	2.22	0.13
Other taxes	0.47	0.46	(0.01)
Licenses and permits	0.68	0.70	0.02
Charges for services	1.24	1.27	0.03
Intergovernmental	0.16	0.19	0.03
Fines, forfeitures, and fees	1.13	0.95	(0.18)
Interest revenues	0.00	0.00	-
Other revenues	0.10	0.10	-
Total revenues	$ 18.80	$ 18.80	$ 0.00

In fiscal year 2017, there were no significant variances in budget to actual revenues.

Total actual expenditures were less than total budgeted expenditures in the General Fund by $710,400 at October 31, 2017.

General Fund Expenditures Budget to Actual Comparison
(in millions of dollars)

	FY 2017 Budget	FY 2017 Actual	Variance - Positive/ (Negative)
General government	$ 2.69	$ 2.74	$ (0.05)
Judicial	0.54	0.51	0.03
Public safety	10.49	10.00	0.49
Public works	1.55	1.51	0.04
Health and welfare	0.50	0.47	0.03
Culture and recreation	0.44	0.43	0.01
Housing and development	1.45	1.33	0.12
Debt service	0.23	0.23	-
Intergovernmental	0.73	0.69	0.04
Total expenditures	$ 18.62	$ 17.91	$ 0.71

In fiscal year 2017, there were no significant variances in budget to actual expenditures. The City's budgeted General Fund expenditures for 2017 were less than 2% less than those of fiscal year 2016.

Proprietary Funds. The City of Hinesville's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position at the end of the fiscal year amounted to $5,357,179 in the water and sewer fund, $458,496 in the sanitation fund, $0 in the transit fund and ($1,866,836) in the storm water utility fund. Other factors concerning the finances of these funds have been addressed in the discussion of the City of Hinesville's business-type activities.

Capital Asset and Debt Administration

Capital assets. The City of Hinesville's investment in capital assets for its governmental and business–type activities total $117,383,619 and $112,084,820 (net of accumulated depreciation) as of October 31, 2017 and 2016, respectively. These assets include buildings, infrastructure, land, heavy equipment, equipment, and office furniture. The table below shows the investment in each property type for the City's Governmental and Business-type activities.

City of Hinesville's Capital Assets (net of depreciation)
(in millions of dollars)

	Governmental Activities		Business-type Activities		Total	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**
Land	$ 1.86	$ 1.83	$ 0.02	$ 0.02	$ 1.88	$ 1.85
Construction in progress	0.13	0.13	26.43	18.29	26.56	18.42
Buildings & improvements	12.40	12.71	-	-	12.40	12.71
Utility plant in service	-	-	36.50	38.15	36.50	38.15
Vehicles	0.85	0.75	-	-	0.85	0.75
Heavy equipment	0.24	-	-	-	0.24	-
Equipment	0.14	0.18	1.38	1.41	1.52	1.59
Office equipment	0.07	0.01	-	-	0.07	0.01
Infrastructure	32.82	33.92	4.55	4.67	37.37	38.59
Total	**$ 48.51**	**$ 49.53**	**$ 68.88**	**$ 62.54**	**$ 117.39**	**$ 112.07**

A large portion of the increase in 2017 is Business-type Activities construction in progress related to the upgrades to the wastewater treatment plant and upgrades to the Hinesville pump station and force main.

Additional information on the City's capital assets can be found in note 5 of the Basic Financial Statements.

Long-term Debt. As of October 31, 2017 the City of Hinesville had total debt outstanding of $39,180,089. Of this, $32,670,487 is debt backed by the full faith and credit of the City. The remainder of the City's debt represents bonds secured solely by specified revenue sources (i.e. revenue bonds).

Detailed information regarding the City of Hinesville's long-term debt can be found in notes 6 and 7 of the basic financial statements.

Economic Conditions Affecting the City

There are many economic factors that were considered when the City of Hinesville established its budget for fiscal year ended October 31, 2017. It is the City's practice to take a conservative approach when budgeting for estimated revenues. However, we realize we must be diligent in monitoring external factors that impact these estimates.

Activities at Fort Stewart have a significant financial impact on the City of Hinesville. City officials are in continuous communication with Fort Stewart officials. The City works hard to be prepared to take necessary steps to minimize any negative economic impact.

The City has seen significant commercial growth during 2017. A commercial project was completed in 2017 with several large retail stores and restaurants. The City believes we will continue to see positive economic impacts related to this growth.

Contacting the City's Financial Management

This financial report is designed to provide a general overview of the City of Hinesville's finances, comply with finance related laws and regulations, and demonstrate the City's commitment to public accountability. Questions concerning any of the information found in this report or requests for additional information should be directed to the Chief Financial Officer, City of Hinesville, 115 East M.L. King, Jr. Drive, Hinesville, GA 31313 or (912) 876-3564.

BASIC FINANCIAL STATEMENTS

HINESVILLE
GEORGIA

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF HINESVILLE, GEORGIA

STATEMENT OF NET POSITION
OCTOBER 31, 2017

	Primary Government			Component Unit
	Governmental Activities	Business Type Activities	Total	Downtown Development Authority
Assets				
Cash and cash equivalents	$ 2,146,612	$ 543,247	$ 2,689,859	$ 182,448
Receivables, net	1,644,238	4,988,606	6,632,844	-
Notes receivable, net	264,401	-	264,401	-
Internal balances	2,176,629	(2,176,629)	-	-
Due from component unit	81,674	-	81,674	-
Due from other governments	721,561	475,456	1,197,017	-
Prepaid items	184,598	50,058	234,656	-
Restricted assets:				
Cash and cash equivalents	697,077	3,740,874	4,437,951	-
Investments	-	4,280	4,280	-
Assets held for resale	-	-	-	838,358
Capital assets:				
Nondepreciable	1,990,646	26,454,593	28,445,239	10,000
Depreciable, net of accumulated depreciation	46,515,317	42,423,063	88,938,380	25,537
Total assets	56,422,753	76,503,548	132,926,301	1,056,343
Deferred outflows of resources - Pension	1,731,807	53,561	1,785,368	-
Liabilities				
Accounts payable	458,595	1,462,987	1,921,582	30,486
Retainage payable	-	314,822	314,822	-
Accrued payroll	356,610	8,090	364,700	-
Accrued interest payable	-	6,458	6,458	-
Due to primary government	-	-	-	81,674
Payable from restricted assets:				
Customer deposits	-	842,422	842,422	100
Accrued interest	34,267	12,402	46,669	-
Other liabilities	8,583	-	8,583	-
Long-term liabilities:				
Due within one year				
Bonds, notes and loans payable	324,545	969,435	1,293,980	4,207
Capital lease payable	-	217,195	217,195	-
Compensated absences	120,317	3,611	123,928	-
Due in more than one year				
Bonds, notes and loans payable	4,675,633	32,784,064	37,459,697	-
Capital lease payable	-	209,217	209,217	-
Compensated absences	681,799	20,465	702,264	-
Net pension liability	4,551,849	140,779	4,692,628	-
Total liabilities	11,212,198	36,991,947	48,204,145	116,467
Deferred inflows of resources - Pension	474,099	14,663	488,762	-

CITY OF HINESVILLE, GEORGIA

STATEMENT OF NET POSITION
OCTOBER 31, 2017

	Primary Government			Component Unit
	Governmental Activities	Business Type Activities	Total	Downtown Development Authority
Net Position				
Net investment in capital assets	$ 43,505,785	$ 34,697,745	$ 78,203,530	$ -
Restricted for:				
Revenue bond retirement	-	903,915	903,915	-
Capital projects	76,350	-	76,350	-
Public safety	50,130	-	50,130	-
Unrestricted	2,835,998	3,948,839	6,784,837	939,876
Total net position	$ 46,468,263	$ 39,550,499	$ 86,018,762	$ 939,876

CITY OF HINESVILLE, GEORGIA

STATEMENT OF ACTIVITIES
YEAR ENDED OCTOBER 31, 2017

		Program Revenues		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Primary government:				
Governmental activities:				
General government	$ 2,905,460	$ 1,195,795	$ -	$ -
Judiciary	505,069	67,697	-	-
Public safety	9,852,898	1,343,421	101,000	79,054
Public works	2,812,958	19,483	-	1,254,228
Housing and development	2,129,339	387,134	39,280	-
Health and welfare	701,923	-	760,713	-
Culture and recreation	941,725	-	-	-
Interest and fiscal charges	142,853	-	-	-
Total governmental activities	19,992,225	3,013,530	900,993	1,333,282
Business-type activities:				
Water and sewer	8,945,220	9,371,967	-	297,652
Sanitation	2,902,614	3,029,168	-	-
Stormwater utility	1,339,530	1,491,212	-	-
Transit	787,852	18,318	520,803	-
Total business-type activities	13,975,216	13,910,665	520,803	297,652
Total primary government	$ 33,967,441	$ 16,924,195	$ 1,421,796	$ 1,630,934
Component unit:				
Downtown Development Authority	$ 378,681	$ 19,953	$ 311,102	$ -
Total component unit	$ 378,681	$ 19,953	$ 311,102	$ -

General revenues:
- Property taxes
- Sales taxes
- Franchise taxes
- Insurance premium taxes
- Alcoholic beverage taxes
- Hotel/motel taxes
- Occupational taxes
- Federal and state grants and other contributions not restricted to specific functions
- Other revenues
- Investment earnings

Transfers

Total general revenues and transfers

Change in net position

Net position - November 1

Net position - October 31

Net (Expense) Revenue and Changes in Net Position			Component Unit
Governmental Activities	Business-type Activities	Total	Downtown Development Authority
$ (1,709,665)	$ -	$ (1,709,665)	
(437,372)	-	(437,372)	
(8,329,423)	-	(8,329,423)	
(1,539,247)	-	(1,539,247)	
(1,702,925)	-	(1,702,925)	
58,790	-	58,790	
(941,725)	-	(941,725)	
(142,853)	-	(142,853)	
(14,744,420)	-	(14,744,420)	
-	724,399	724,399	
-	126,554	126,554	
-	151,682	151,682	
-	(248,731)	(248,731)	
-	753,904	753,904	
(14,744,420)	753,904	(13,990,516)	
			(47,626)
			$ (47,626)
7,738,266	-	7,738,266	-
3,530,019	-	3,530,019	-
1,580,576	-	1,580,576	-
2,220,793	-	2,220,793	-
422,537	-	422,537	-
201,508	-	201,508	-
34,569	-	34,569	-
23,137	-	23,137	-
14,824	60,086	74,910	7,285
17,745	17,215	34,960	-
(237,632)	237,632	-	-
15,546,342	314,933	15,861,275	7,285
801,922	1,068,837	1,870,759	(40,341)
45,666,341	38,481,662	84,148,003	980,217
$ 46,468,263	$ 39,550,499	$ 86,018,762	$ 939,876

HINESVILLE
GEORGIA

FUND FINANCIAL STATEMENTS

CITY OF HINESVILLE, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
OCTOBER 31, 2017

	General	Nonmajor Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	$ 1,821,764	$ 324,848	$ 2,146,612
Receivables, net	1,608,532	35,706	1,644,238
Notes receivable, net	-	264,401	264,401
Due from other governments	366,639	354,922	721,561
Due from other funds	3,463,519	446,565	3,910,084
Due from component unit	81,674	-	81,674
Prepaid items	184,598	-	184,598
Restricted assets:			
Cash and cash equivalents	28,177	668,900	697,077
Total assets	$ 7,554,903	$ 2,095,342	$ 9,650,245
Liabilities			
Accounts payable	$ 424,755	$ 33,840	$ 458,595
Accrued payroll & payroll taxes	356,610	-	356,610
Due to other funds	1,021,162	712,294	1,733,456
Unearned revenue	51,168	-	51,168
Other liabilities	8,583	-	8,583
Total liabilities	1,862,278	746,134	2,608,412
Deferred inflow of resources			
Unavailable revenue - property and franchise taxes	1,344,823	-	1,344,823
Fund balances			
Nonspendable	184,598	-	184,598
Restricted	50,130	944,456	994,586
Assigned	458,699	404,752	863,451
Unassigned	3,654,375	-	3,654,375
Total fund balances	4,347,802	1,349,208	5,697,010
Total liabilities, deferred inflow of resources and fund balances	$ 7,554,903	$ 2,095,342	$ 9,650,245

CITY OF HINESVILLE, GEORGIA

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION OCTOBER 31, 2017

Amounts reported for governmental activities in the Statement of Net Position differ from amounts reported in the Balance Sheet of Governmental funds because:			
Total fund balances - total governmental funds		$	5,697,010
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
Nondepreciable capital assets	1,990,646		
Depreciable capital assets	79,562,689		
Accumulated depreciation	(33,047,372)		
Total capital assets net of depreciation			48,505,963
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.			
Property taxes	175,335		
Franchise taxes	1,169,489		
Business license fees	51,168		
Total unavailable revenue			1,395,992
Deferred outflows of resources are not due and payable in the current period and, therefore, are not reported in the funds. These deferred outflows of resources consist of pension related expenses, investment earnings differences and contributions made subsequent to the measurement date.			1,731,807
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.			
Bonds payable	(5,000,178)		
Compensated absences	(802,116)		
Accrued interest	(34,267)		
Net pension liability	(4,551,849)		
Total long-term liabilities			(10,388,410)
Deferred inflows of resources are not available to pay for current expenditures and, therefore, are not reported in the funds. These deferred inflows of resources consist of pension related differences between projected and actual earnings on plan investments, assumption changes and experience differences.			(474,099)
Net position of governmental activities		$	46,468,263

CITY OF HINESVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2017

	General	Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
Property taxes	$ 7,780,460	$ -	$ 7,780,460
Sales taxes	3,530,019	-	3,530,019
Franchise taxes	1,601,054	-	1,601,054
Insurance premium taxes	2,220,793	-	2,220,793
Other taxes	457,106	201,508	658,614
Licenses and permits	701,765	-	701,765
Charges for services	1,271,603	-	1,271,603
Intergovernmental	186,290	2,063,180	2,249,470
Fines, forfeitures, and fees	945,535	-	945,535
Interest revenues	5,545	12,200	17,745
Other revenues	100,575	-	100,575
Total revenues	18,800,745	2,276,888	21,077,633
Expenditures			
Current:			
General government	2,736,332	-	2,736,332
Judicial	506,101	-	506,101
Public safety	9,994,616	109,746	10,104,362
Public works	1,515,733	-	1,515,733
Housing and development	1,330,836	399,698	1,730,534
Health and welfare	468,701	234,748	703,449
Culture and recreation	433,913	122,690	556,603
Capital outlay	-	192,353	192,353
Debt service:			
Principal	156,318	157,355	313,673
Interest and fiscal charges	73,032	71,995	145,027
Intergovernmental	693,499	80,603	774,102
Total expenditures	17,909,081	1,369,188	19,278,269
Excess of revenues over expenditures	891,664	907,700	1,799,364
Other financing sources (uses)			
Transfers In	182,571	154,593	337,164
Transfers Out	(392,225)	(182,572)	(574,797)
Total other financing sources (uses)	(209,654)	(27,979)	(237,633)
Net change in fund balances	682,010	879,721	1,561,731
Fund balance - November 1	3,665,792	469,487	4,135,279
Fund balance - October 31	$ 4,347,802	$ 1,349,208	$ 5,697,010

CITY OF HINESVILLE, 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 OCTOBER 31, 2017

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ 1,561,731
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 assets reported as capital outlay in governmental funds	669,214	
Depreciation expense reported in the statement of activities	(1,701,495)	
This is the amount by which depreciation exceeded capital outlay in the current period.		(1,032,281)
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.		
Unearned revenue		(45,854)
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. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued; whereas, these amounts are amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Principal payments on debt	313,673	
Change in accrued interest payable	2,174	
		315,847
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in compensated absences		3,572
Change in net pension liability and related deferred inflows of resources and deferred outflows of resources		(1,093)
Change in net position of governmental activities		$ 801,922

CITY OF HINESVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2017

	Budgeted Amounts			Variance With Final
	Original	Final	Actual	Budget
Revenues				
Property taxes	$ 7,864,502	$ 7,650,502	$ 7,780,460	$ 129,958
Sales taxes	3,578,303	3,578,303	3,530,019	(48,284)
Franchise taxes	1,707,740	1,707,740	1,601,054	(106,686)
Insurance premium taxes	2,087,771	2,087,771	2,220,793	133,022
Other taxes	467,165	467,165	457,106	(10,059)
Licenses and permits	678,405	678,405	701,765	23,360
Charges for services	1,237,431	1,237,431	1,271,603	34,172
Intergovernmental	157,945	158,945	186,290	27,345
Fines, forfeitures, and fees	1,129,200	1,129,200	945,535	(183,665)
Interest revenues	1,000	1,000	5,545	4,545
Other revenues	99,575	103,325	100,575	(2,750)
Total revenues	19,009,037	18,799,787	18,800,745	958
Expenditures				
Current:				
General government				
Administration	2,558,944	2,689,944	2,736,332	(46,388)
Total general government	2,558,944	2,689,944	2,736,332	(46,388)
Judicial				
Municipal Court	538,309	538,309	506,101	32,208
Total judicial	538,309	538,309	506,101	32,208
Public safety				
Police	6,888,644	6,948,639	6,637,256	311,383
Fire	3,540,401	3,540,401	3,357,360	183,041
Total public safety	10,429,045	10,489,040	9,994,616	494,424
Public works				
Public works administration	79,758	79,758	85,586	(5,828)
Highways and streets	1,111,127	1,111,127	1,067,585	43,542
Vehicle maintenance	357,005	357,005	362,562	(5,557)
Total public works	1,547,890	1,547,890	1,515,733	32,157
Health and welfare				
Community development	492,316	497,066	468,701	28,365
Total health and welfare	492,316	497,066	468,701	28,365
Culture and recreation				
Team Hinesville	52,020	56,020	54,993	1,027
Parks and grounds	389,650	389,650	378,920	10,730
Total culture and recreation	441,670	445,670	433,913	11,757

(Continued)

CITY OF HINESVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2017

	Budgeted Amounts			Variance With Final
	Original	Final	Actual	Budget
Housing and development				
Inspections	912,431	912,431	892,790	19,641
Downtown Development Authority	308,575	308,575	220,727	87,848
Economic development	225,087	225,087	217,319	7,768
Total housing and development	1,446,093	1,446,093	1,330,836	115,257
Debt service				
Principal	315,771	86,771	156,318	(69,547)
Interest and fiscal charges	142,928	142,928	73,032	69,896
Total debt service	458,699	229,699	229,350	349
Intergovernmental				
Live Oak Public Libraries	356,789	356,789	356,789	-
Liberty Consolidated Planning Commission	378,981	378,981	336,710	42,271
Total Intergovernmental	735,770	735,770	693,499	42,271
Total expenditures	18,648,736	18,619,481	17,909,081	710,400
Excess of revenues over expenditures	360,301	180,306	891,664	711,358
Other financing sources (uses)				
Transfers In	165,677	194,427	182,571	(11,856)
Transfers Out	(508,478)	(458,478)	(392,225)	66,253
Total other financing sources (uses)	(342,801)	(264,051)	(209,654)	54,397
Net change in fund balances	17,500	(83,745)	682,010	765,755
Fund balance - November 1	3,665,792	3,665,792	3,665,792	-
Fund balance - October 31	$ 3,683,292	$ 3,582,047	$ 4,347,802	$ 765,755

CITY OF HINESVILLE, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
OCTOBER 31, 2017

	Water and Sewer Fund	Sanitation Fund	Stormwater Utility Fund
Assets			
Current assets			
Cash and cash equivalents	$ 501,501	$ -	$ -
Receivables, net	4,988,606	-	-
Due from other governments	-	-	-
Due from other funds	574,597	517,142	-
Prepaid items	50,058	-	-
Restricted assets:			
Cash and cash equivalents	3,270,261	-	470,613
Investments	4,280	-	-
Total current assets	9,389,303	517,142	470,613
Noncurrent assets			
Capital assets, nondepreciable	26,421,840	-	11,737
Capital assets, net of accumulated depreciation	36,691,158	489,520	5,207,513
Total noncurrent assets	63,112,998	489,520	5,219,250
Total assets	72,502,301	1,006,662	5,689,863
Deferred outflows of resources	53,561	-	-
Liabilities			
Current liabilities			
Accounts payable	1,307,374	58,313	5,468
Retainage payable	314,822	-	-
Accrued expenses	8,090	-	-
Accrued interest payable	-	332	6,126
Due to other funds	517,142	-	2,325,855
Payable from restricted assets:			
Customer deposits	842,422	-	-
Accrued interest	12,402	-	-
Current portion of notes payable	78,117	-	107,015
Current portion of revenue bonds payable	784,303	-	-
Current portion of capital lease payable	-	53,661	163,534
Current portion of compensated absences	3,611	-	-
Total current liabilities	3,868,283	112,306	2,607,998
Noncurrent liabilities			
Notes payable, long-term portion	25,044,003	-	2,014,762
Bonds payable, long term portion	5,725,299	-	-
Capital lease payable, long term portion	-	54,955	154,262
Compensated absences, long term portion	20,465	-	-
Net pension liability	140,779	-	-
Total noncurrent liabilities	30,930,546	54,955	2,169,024
Total liabilities	34,798,829	167,261	4,777,022
Deferred inflows of resources	14,663	-	-
Net Position			
Net investment in capital assets	31,481,276	380,905	2,779,677
Restricted for:			
Revenue bond retirement	903,915	-	-
Unrestricted	5,357,179	458,496	(1,866,836)
Total net position	$ 37,742,370	$ 839,401	$ 912,841

Non-major Transit Fund	Total Business Type Activities
$ 41,746	$ 543,247
-	4,988,606
475,456	475,456
-	1,091,739
-	50,058
-	3,740,874
-	4,280
517,202	10,894,260
21,016	26,454,593
34,872	42,423,063
55,888	68,877,656
573,090	79,771,916
-	53,561
91,832	1,462,987
-	314,822
-	8,090
-	6,458
425,371	3,268,368
-	842,422
-	12,402
-	185,132
-	784,303
-	217,195
-	3,611
517,203	7,105,790
-	27,058,765
-	5,725,299
-	209,217
-	20,465
-	140,779
-	33,154,525
517,203	40,260,315
-	14,663
55,887	34,697,745
-	903,915
-	3,948,839
$ 55,887	$ 39,550,499

CITY OF HINESVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED OCTOBER 31, 2017

	Water and Sewer Fund	Sanitation Fund	Stormwater Utility Fund
Operating revenues			
Water fees	$ 3,539,910	$ -	$ -
Sewer fees	3,143,917	-	-
Fort Stewart sewer fees	1,437,750	-	-
Water and sewer impact fees	740,081	-	-
Sanitation fees	-	3,029,168	-
Stormwater utility fees	-	-	1,491,212
Transit fees	-	-	-
Intergovernmental	-	-	-
Other revenues	570,393	-	-
Total operating revenues	9,432,051	3,029,168	1,491,212
Operating expenses			
Salaries	316,321	-	-
Employee benefits	70,509	-	-
Vehicle operating expenses	105,405	249,314	96,034
Office supplies and postage	71,219	626	594
General insurance	96,298	-	-
Professional fees	176,708	-	46,236
Computer services	27,377	384	710
Equipment rental and repairs	10,308	545	1,852
Schools and training	355	-	-
Operating supplies	487,395	57,232	1,949
Utilities	930,343	16,768	16,499
Operations contracted services	2,539,203	1,526,372	737,718
Repairs and materials	1,398,378	2,834	22,619
Depreciation	1,758,007	175,253	237,014
Administrative fees	439,146	212,042	104,525
Drinking water program	12,200	-	-
Miscellaneous	23,706	-	-
Disposal	-	608,023	-
Grinding Services	-	50,000	-
Marketing	-	-	-
Total operating expenses	8,462,878	2,899,393	1,265,750
Operating income (loss)	969,173	129,775	225,462

(Continued)

Non-major Transit Fund	Total Business Type Activities
$ -	$ 3,539,910
-	3,143,917
-	1,437,750
-	740,081
-	3,029,168
-	1,491,212
18,318	18,318
520,803	520,803
-	570,393
539,121	14,491,552
4,080	320,401
-	70,509
32,717	483,470
-	72,439
-	96,298
120,204	343,148
-	28,471
-	12,705
-	355
6,399	552,975
-	963,610
612,251	5,415,544
-	1,423,831
10,997	2,181,271
408	756,121
-	12,200
-	23,706
-	608,023
-	50,000
796	796
787,852	13,415,873
(248,731)	1,075,679

CITY OF HINESVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2017

	Water and Sewer Fund	Sanitation Fund	Stormwater Utility Fund
Nonoperating revenues (expenses)			
Investment income	15,110	-	2,003
Interest and fiscal charges	(482,340)	(3,221)	(73,780)
Intergovernmental	297,652	-	-
Total nonoperating revenue (expense)	(169,578)	(3,221)	(71,777)
Income (loss) before transfers	799,595	126,554	153,685
Transfers in	-	-	-
Total transfers	-	-	-
Change in net position	799,595	126,554	153,685
Total net position - November 1	36,942,775	712,847	759,156
Total net position - October 31	$ 37,742,370	$ 839,401	$ 912,841

Non-major Transit Fund	Total Business Type Activities
102	17,215
-	(559,341)
-	297,652
102	(244,474)
(248,629)	831,205
237,632	237,632
237,632	237,632
(10,997)	1,068,837
66,884	38,481,662
$ 55,887	$ 39,550,499

CITY OF HINESVILLE, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2017

	Water and Sewer Fund	Sanitation Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers and users	$ 6,873,999	$ 3,029,168
Cash paid to suppliers for goods and services	(5,495,074)	(2,876,449)
Cash paid to employees for services	(373,530)	-
Net cash provided (used) by operating activities	1,005,395	152,719
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Change in due from other funds	139,629	(96,942)
Change in due to other funds	(342,204)	-
Transfer from other funds	-	-
Net cash provided (used) by noncapital financing activities	(202,575)	(96,942)
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES		
Proceeds from long-term borrowings	8,975,722	-
Proceeds from non-operating capital grants	297,652	-
Principal payments on long-term borrowings	(842,559)	(52,397)
Interest payments on long-term borrowings	(483,670)	(3,380)
Purchase of capital assets	(29,487)	-
Acquistion and construction of capital assets	(9,396,714)	-
Net cash provided (used) by capital and related financing activities	(1,479,056)	(55,777)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from investments	2,266	-
Interest on investments	15,110	-
Net cash provided (used) by investing activities	17,376	-
Net increase (decrease) in cash and cash equivalents	(658,860)	-
Cash and cash equivalents/investments, November 1	4,430,622	-
Cash and cash equivalents/investments, October 31	$ 3,771,762	$ -
CLASSIFIED AS:		
Cash and cash equivalents	$ 501,501	$ -
Restricted assets:		
Cash and cash equivalents	3,270,261	-
Cash and cash equivalents, October 31	$ 3,771,762	$ -

(Continued)

Stormwater Utility Fund	Non-major Transit Fund	Total Business Type Activities
$ 1,491,212	$ 252,640	$ 11,647,019
(1,033,375)	(732,162)	(10,137,060)
-	(4,080)	(377,610)
457,837	(483,602)	1,132,349
-	-	42,687
(26,279)	261,694	(106,789)
-	237,632	237,632
(26,279)	499,326	173,530
219,229	-	9,194,951
-	-	297,652
(250,615)	-	(1,145,571)
(74,297)	-	(561,347)
(325,877)	-	(355,364)
-	-	(9,396,714)
(431,560)	-	(1,966,393)
-	-	2,266
2,004	102	17,216
2,004	102	19,482
2,002	15,826	(641,032)
468,611	25,920	4,925,153
$ 470,613	$ 41,746	$ 4,284,121
$ -	$ 41,746	$ 543,247
470,613	-	3,740,874
$ 470,613	$ 41,746	$ 4,284,121

CITY OF HINESVILLE, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2017

	Water and Sewer Fund	Sanitation Fund
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities		
Operating income (loss)	$ 969,173	$ 129,775
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	1,758,007	175,253
Change in assets and liabilities		
(Increase) decrease in accounts receivable	(2,589,449)	-
(Increase) decrease in due from other governments	-	-
(Increase) decrease in prepaid expenses	(3,863)	-
(Increase) decrease in deferred outflows of resources	(13,304)	-
Increase (decrease) in accounts payable	400,390	(152,309)
Increase (decrease) in customer depostis payable	31,395	-
Increase (decrease) in accrued expenses	600	-
Increase (decrease) in compensated absences	(38)	-
Increase (decrease) in due to other funds	439,146	-
Increase (decrease) in net pension liability	19,082	-
Increase (decrease) in deferred inflows of resources	(5,744)	-
Total adjustments	36,222	22,944
Net cash provided by (used in) operating activities	$ 1,005,395	$ 152,719

Stormwater Utility Fund	Non-major Transit Fund	Total Business Type Activities
$ 225,462	$ (248,731)	$ 1,075,679
237,014	10,997	2,181,271
-	-	(2,589,449)
-	(286,481)	(286,481)
-	-	(3,863)
-	-	(13,304)
(4,639)	40,613	284,055
-	-	31,395
-	-	600
-	-	(38)
-	-	439,146
-	-	19,082
-	-	(5,744)
232,375	(234,871)	56,670
$ 457,837	$ (483,602)	$ 1,132,349

HINESVILLE
GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

HINESVILLE
GEORGIA

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Hinesville, Georgia (the City) was organized in 1837. The City operates under a charter which provides for a mayor-council form of Government with a City Manager. The City provides the following services as authorized by its charter: public safety (police and fire), streets, sanitation, planning and zoning, public improvements, water and sewer service and general administrative services.

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

A. Reporting Entity

An elected five-member council governs the City. As required by generally accepted accounting principles, the accompanying financial statements of the reporting entity include those of the City of Hinesville, Georgia (the primary government) and its component unit, an entity for which the city is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the government wide financial statements to emphasize that it is legally separate from the City.

The Downtown Development Authority (the "Authority") has been included as a discretely presented component unit in the accompanying financial statements. The Authority plans and develops the downtown area of the city in order to attract new business and residences. The City possesses the authority to review, approve, and revise the budget and governs collection and disbursement of funds. The governing body of the Authority is appointed by the City. Separate financial statements for the Downtown Development Authority are not available.

B. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government (the City) and its component unit. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The City reports the following major governmental fund:

General Fund. This 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 City reports the following major enterprise funds:

Water and Sewer Fund. This fund accounts for the operation and maintenance of the City's water and sewer system.

Sanitation Fund. This fund accounts for the operation and maintenance of the City's sanitation department.

Stormwater Utility Fund. This fund accounts for the operation and maintenance of the City's storm water and drainage operations.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Additionally, the City reports the following funds:

- Multiple Grant Fund – This special revenue fund accounts for grant revenues and expenditures.
- Hotel Motel Tax Fund – This special revenue fund accounts for hotel/motel tax collections and related expenditures.
- SPLOST Fund – This capital projects fund accounts for Special Purpose Local Option Sales Tax (SPLOST) proceeds and expenditures related to capital acquisition or construction of capital assets.
- LMIG Fund – This capital projects fund accounts for Local Maintenance & Improvement Grant (LMIG) proceeds and expenditures related to capital acquisition or construction of capital assets
- Transit Fund – This enterprise fund accounts for the operation of the City's bus transit system.

C. Basis of Accounting and Measurement Focus

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. 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 City's enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when 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 year end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants and then by general revenues.

Those revenues susceptible to accrual are property taxes, franchise taxes, licenses, interest revenue and charges for services. Sales taxes collected and held by the state at year-end on behalf of the City are recognized as revenue. Fines and permits are not susceptible to accrual because they generally are not measurable until received in cash.

D. Budgetary Data

Budgets are adopted on a basis consistent with generally accepted accounting principles. An annual operating budget is legally adopted each fiscal year for the general fund and special revenue funds. An annual operating budget is prepared for the enterprise funds for planning, control, cost allocation, and evaluation purposes. All annual appropriations lapse at fiscal year end. Project-length financial budgets are adopted for all capital projects funds.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

E. Cash and Investments

For purposes of the statement of cash flows, cash includes all highly liquid investments with maturity of three months or less when purchased to be cash equivalents.

State statutes authorize the City to invest in obligations of the U. S. Government and agencies of corporations of the U.S. Government; obligations of any state; obligations of any political subdivision of any state; certificates of deposit or time deposits of any national state bank or savings and loan which have deposits insured by the FDIC or FSLIC; prime bankers acceptances; repurchase agreements; and the Local Government Investment Pool of the State of Georgia (Georgia Fund 1). Any investment in the Georgia Fund 1 would represent the City's portion of a pooled investment account operated by the Office of the State Treasurer. The pool consists of U.S. treasury obligations, securities issued or guaranteed by the U.S. Government or any of its agencies or instrumentalities, banker's acceptances, overnight and term repurchase agreements with highly rated counter parties, and collateralized bank accounts. Any investment in the Georgia Fund 1 would be valued at fair market value.

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. Investments that do not have an established market are reported at estimated fair values.

F. Prepaid Items

Prepaid balances are for payments made by the City in the current year to provide services occurring in the subsequent fiscal year. The City had prepaid insurance in the amount of $234,656 as of October 31, 2017.

G. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet in the fund financial statements and as "internal balances" in the Statement of Net Position in the government-wide financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the City chose to include all such items regardless of their acquisition date. The City was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend useful lives are expensed as incurred.

Major outlays for capital assets and major improvements are capitalized as projects are constructed. Interest incurred during the construction period of capital assets of the business-type activities is included as part of the capitalized value of the assets constructed. The amount of interest capitalized is calculated by offsetting interest expense incurred (from the date of borrowing until the date of completion of the project) with interest earned on investment proceeds over the same period. During the fiscal year ended October 31, 2017, the City capitalized interest in the amount of $0.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Infrastructure	20 – 50 years
Buildings	20 – 50 years
Improvements	20 – 50 years
Equipment and vehicles	13 – 15 years
Utility plant in service	5 – 50 years
Other equipment	3 – 10 years

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

I. Long-Term Obligations

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

In fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

J. Compensated Absences

The personnel policy of the City provides for the accumulation of annual leave up to 96 hours for regular employees and 288 hours for fixed pay fluctuating hours employees with such leave being fully vested when earned. It also provides for the accumulation of sick leave up to 400 hours for regular employees and 557.75 hours for fixed pay fluctuating hours employees. Sick leave will be paid to employees separating from service with the City at a rate of 25% of the accumulated hours. For the City's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

K. 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 position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents and acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has four items that qualify for reporting in this category. The first item, unavailable revenue is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from property and franchise taxes. These amounts are deferred and recognized as an inflows of resources in the period that the amounts become available.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

The City also has deferred inflows and outflows related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains result from periodic studies by the City's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains are recorded as deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five year period. Additionally, any contributions made by the City to the pension plan before year end but subsequent to the measurement date of the City's net pension liability are reported as deferred outflows of resources.

L. 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 Hinesville 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 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.

M. Net Position Flow Assumption

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

N. Fund Balance and Flow Assumptions

In the financial statements, governmental funds report the following classifications of fund balance in accordance with Governmental Accounting Standards Board Statement No. 54:

- Nonspendable – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted – amounts are restricted when constraints have been placed on the use of resources by (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

- Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council. The City Council approves committed resources through a motion and vote during the voting session of City Council meetings.
- Assigned – amounts that are constrained by the City Council's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution the City Council has authorized the City Manager to assign fund balance.
- Unassigned – amounts that have not been assigned to other funds, and that are not restricted, committed, or assigned to specific purposes within the General Fund.

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:

- Committed
- Assigned
- Unassigned

The City does not have a formal minimum fund balance policy.

The following is a summary of the fund balance classifications as of October 31, 2017:

	General Fund	Non-major Governmental Funds	Total Governmental Funds
Fund Balance:			
Nonspendable			
Prepaids	$ 184,598	$ -	$ 184,598
Restricted			
Capital Outlay	-	944,456	944,456
Public Safety	50,130	-	50,130
Assigned			
Debt service	458,699	-	458,699
Community development	-	404,752	404,752
Unassigned	3,654,375	-	3,654,375
	$ 4,347,802	$ 1,349,208	$ 5,697,010

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

O. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of assets and liabilities during the reporting period. Actual results could differ from those estimates.

NOTE 2. LEGAL COMPLIANCE - BUDGETS

A. Budgetary Information

The following procedures are used by the City in establishing the budgetary data reflected in the financial statements:

1. The City Charter establishes the fiscal year as the twelve-month period beginning November 1 and ending on October 31. Generally, in September the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing November 1. The operating budget includes proposed expenditures and the means of financing them for the following departments: General, Administrative, Police, Fire, Municipal Court, Community Development, Inspections, Streets and Public Works.

2. Upon receipt of the budget estimates, the Council holds a first meeting on the Budget Ordinance. Information about the Budget Ordinance is then published in the official newspaper of the City. The Council is precluded from passing the Budget Ordinance until ten days have passed after the Ordinance Publication.

3. During October, the budget is then legally enacted through the passage of the Budget Ordinance.

4. Budgeted amounts can be transferred within a department of any fund by the City Manager; however, any revisions of the budget, which alter the total expenditures of a fund, must be approved by the City Council.

5. Formal budgetary integration is employed as a management control device during the year for the General Fund, special revenue funds, Water and Sewer Fund and Sanitation Fund.

6. A budget for the General Fund and special revenue funds was adopted on a basis consistent with generally accepted accounting principles (GAAP).

7. Budgeted amounts are as originally adopted or as amended by the City Council.

8. The level of control (level at which expenditures may not legally exceed the budget) is exercised by the Mayor and Council at the department level.

NOTE 2. LEGAL COMPLIANCE – BUDGETS (*continued*)

B. Excess of Expenditures over Appropriations

The following general fund functions had excesses of actual expenditures over appropriations in the amount shown for the fiscal year ended October 31, 2017.

General Fund:

Current:	
Administration	$ 46,388
Public works administration	$ 5,828
Vehicle Maintenance	$ 5,557

These over expenditures were funded by savings from other departments.

NOTE 3. DEPOSITS AND INVESTMENTS

Total deposits and investments as of October 31, 2017, are summarized as follows:

As reported in the Statement of Net Position:	
Primary government:	
Cash and cash equivalents	$ 2,689,859
Restricted assets - cash and cash equivalents	4,437,951
Restricted assets - Investments	4,280
	$ 7,132,090
Cash deposited with financial institutions	$ 7,127,810
Investments in US Government Securities	4,280
	$ 7,132,090
Component unit:	
Cash and cash equivalents	$ 182,448
Cash deposited with financial institutions	$ 182,448

NOTE 3. DEPOSITS AND INVESTMENTS (*continued*)

Credit risk. State statues authorize the City to invest in obligations of the U.S. government and agencies of corporations of the U.S. Government; obligations of any state; obligations of any political subdivision of any state; certificates of deposit or time deposits of any national state bank or savings and loan which have deposits insured by the FDIC or FSLIC; prime bankers' acceptances; repurchase agreements; and the Local Government Investment Pool of the State of Georgia (Georgia Fund 1). The City has no investment policy that would further limit its investment choices. As of October 31, 2017, the U.S. Government Securities were rated AAA by Moody's and the City's investment in Georgia Fund 1 was rated AAAf by Standard and Poor's.

At October 31, 2017 the City had the following investments:

Investment	Maturities	Fair Value
U.S. Government Securities	June 2035	$ 3,757
U.S. Government Securities	February 2038	523
Total		$ 4,280

Interest rate risk. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial credit risk – deposits. Custodial credit 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 or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties or municipalities. The City does not have a formal policy for custodial credit risk. As of October 31, 2017, the City did not have any deposits which were uninsured and under collateralized as defined by GASB pronouncements.

Custodial credit risk – investments. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, a government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties or municipalities. The City does not have a formal policy for custodial risk. As of October 31, 2017, the City did not have any investments exposed to this risk as all investments are in the name of the City.

Fair Value Measurements. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. All of the City's investments as of October 31, 2017 were classified in Level 1 of the fair value hierarchy.

NOTE 4. RECEIVABLES – ALLOWANCE FOR DOUBTFUL ACCOUNTS

The Liberty County Tax Commissioner bills and collects the City's property taxes and remits collections on a weekly basis to the City. Property taxes levied for the year ending October 31, 2017 are recorded as receivables, net of estimated uncollectible.

Real and personal property taxes were levied in November 2016. The taxes are based on the January 1, 2016 assessed values and are due on March 3, 2017 after which date liens can be attached. The net receivables collected during the year ended October 31, 2017 and expected to be collected by December 31, 2017, are recognized as revenues in the year ended October 31, 2017. Net receivables estimated to be collectible subsequent to December 31, 2017 are recorded as revenue when received. Prior year levies were recorded using substantially the same principles, and remaining receivables are reevaluated annually.

The amounts presented in the statement of net position and the governmental funds balance sheet are net of the allowances for doubtful accounts:

	General	Nonmajor Governmental	Water and Sewer	Total
Receivables:				
Taxes	$1,512,757	$ 33,762	$ -	$1,546,519
Accounts	221,558	1,944	5,688,316	5,911,818
Gross receivables	1,734,315	35,706	5,688,316	7,458,337
Less allowance for uncollectible accounts	(125,783)	-	(699,710)	(825,493)
Net total receivables	$1,608,532	$ 35,706	$ 4,988,606	$6,632,844

Notes Receivable - The City has established a low interest revolving loan program to help finance the rehabilitation of homes of qualifying low-income residents within the City. As of October 31, 2017, the outstanding balance of these notes receivable, net of an allowance of $134,608, was $264,401.

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended October 31, 2017, was as follows:

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Governmental Activities					
Capital assets not being depreciated:					
Land and improvements	$ 1,831,567	$ 25,400	$ -	$ -	$ 1,856,967
Construction in progress	133,679	-	-	-	133,679
Total capital assets not being depreciated	1,965,246	25,400	-	-	1,990,646
Capital assets being depreciated:					
Buildings and improvements	15,675,766	-	-	-	15,675,766
Vehicles	4,827,548	301,637	(14,043)	-	5,115,142
Heavy equipment	619,065	244,164	-	-	863,229
Equipment	831,907	24,125	-	-	856,032
Office equipment	296,823	73,888	-	-	370,711
Infrastructure	56,681,809	-	-	-	56,681,809
Total capital assets being depreciated	78,932,918	643,814	(14,043)	-	79,562,689
Less accumulated depreciation for:					
Buildings and improvements	(2,968,574)	(315,610)	-	-	(3,284,184)
Vehicles	(4,066,168)	(212,983)	14,043	-	(4,265,108)
Heavy equipment	(618,766)	(298)	-	-	(619,064)
Equipment	(653,776)	(69,174)	-	-	(722,950)
Office equipment	(291,219)	(6,419)	-	-	(297,638)
Infrastructure	(22,761,417)	(1,097,011)	-	-	(23,858,428)
Total accumulated depreciation	(31,359,920)	(1,701,495)	14,043	-	(33,047,372)
Total capital assets being depreciated, net	47,572,998	(1,057,681)	-	-	46,515,317
Governmental activity capital assets, net	$ 49,538,244	$(1,032,281)	$ -	$ -	48,505,963
Less related long-term debt outstanding					(5,000,178)
Net investment in capital assets					$ 43,505,785

NOTE 5. CAPITAL ASSETS (*continued*)

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Business-type activities					
Capital assets not being depreciated:					
Construction in progress	$18,294,712	$ 8,156,987	$ -	$ (21,016)	$ 26,430,683
Land (Right of way)	23,910	-	-	-	23,910
Total capital assets not being depreciated	18,318,622	8,156,987	-	(21,016)	26,454,593
Capital assets being depreciated:					
Utility plant in service	81,728,104	-	-	-	81,728,104
Other equipment	8,114,878	355,364	(270,304)	21,016	8,220,954
Infrastructure	5,170,681	-	-	-	5,170,681
Total capital assets being depreciated	95,013,663	355,364	(270,304)	21,016	95,119,739
Less accumulated depreciation for:					
Utility plant in service	(43,583,264)	(1,647,878)	-	-	(45,231,142)
Other equipment	(6,695,107)	(413,528)	270,304	-	(6,838,331)
Infrastructure	(507,338)	(119,865)	-	-	(627,203)
Total accumulated depreciation	(50,785,709)	(2,181,271)	270,304	-	(52,696,676)
Total capital assets being depreciated, net	44,227,954	(1,825,907)	-	21,016	42,423,063
Business-type activity capital assets, net	$62,546,576	$ 6,331,080	$ -	$ -	68,877,656
Less related long-term debt outstanding					(34,179,911)
Net investment in capital assets					$ 34,697,745

NOTE 5. CAPITAL ASSETS (*continued*)

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

Governmental activities:	
General government	$ 229,141
Public safety	306,028
Public works	1,128,997
Culture and recreation	28,333
Housing and development	8,996
Total depreciation expense - Governmental activities	$ 1,701,495

Business-type activities:	
Water and sewer	$ 1,758,007
Sanitation	175,253
Stormwater utility	237,014
Transit	10,997
Total depreciation expense - Business-type activities	$ 2,181,271

NOTE 6. CHANGES IN LONG-TERM LIABILITIES

The following schedule details the City's long-term liability activity for the year ended October 31, 2017:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Refunding Revenue bond Series 2015	$ 5,313,851	$ -	$ (313,673)	$ 5,000,178	$ 324,545
Total revenue bonds	5,313,851	-	(313,673)	5,000,178	324,545
Other long term liabilities					
Net pension liability	3,934,872	616,977	-	4,551,849	-
Compensated absences	805,688	1,095,395	(1,098,967)	802,116	120,317
Total other long term liabilities	4,740,560	1,712,372	(1,098,967)	5,353,965	120,317
Total governmental activities	$ 10,054,411	$ 1,712,372	$ (1,412,640)	$ 10,354,143	$ 444,862
Business-type activities:					
Revenue bonds	$ 7,220,000	$ -	$ (755,000)	$ 6,465,000	$ 775,000
Unamortized premium	55,131	-	(10,529)	44,602	9,303
GEFA loans payable	18,449,062	8,975,722	(180,887)	27,243,897	185,132
Capital lease payable	406,340	219,229	(199,155)	426,414	217,195
Total bonds, loans and notes payable	26,130,533	9,194,951	(1,145,571)	34,179,913	1,186,630
Other long-term liabilities					
Net pension liability	121,697	19,082		140,779	-
Compensated absences	24,114	38,454	(38,492)	24,076	3,611
Total other long term liabilities	145,811	57,536	(38,492)	164,855	3,611
Total business-type activities	$ 26,276,344	$ 9,252,487	$ (1,184,063)	$ 34,344,768	$ 1,190,241

For governmental activities, compensated absences are generally liquidated by the General Fund and business-type activities, compensated absences are liquidated by the Water and Sewer Fund.

NOTE 7. LONG-TERM DEBT

City of Hinesville Projects Refunding Revenue Bonds, Series 2015

In August 2015, the Liberty County Public Facilities Authority issued on behalf of the City of Hinesville $5,610,000 Refunding Revenue Bonds (City of Hinesville Projects), Series 2015 for the purpose of refunding the Series 2010 Bonds. The new bond is with Ameris Bank. The payments are due quarterly on December 1, March 1, June 1 and September 1 each year with an annual interest rate of 2.75%.

Debt service requirements to maturity are as follows:

Fiscal Year Ending October 31,	Principal	Interest	Total
2018	$ 324,545	$ 134,154	$ 458,699
2019	333,562	125,137	458,699
2020	342,830	115,869	458,699
2021	352,356	106,343	458,699
2022	362,146	96,553	458,699
2023-2027	1,967,372	326,122	2,293,494
2028-2030	1,317,367	58,731	1,376,098
Totals	$ 5,000,178	$ 962,909	$ 5,963,087

Revenue Bonds

The City issues bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. In fiscal year 2013, the City issued Water and Sewerage Refunding Bonds in the amount of $11,060,000. The City used the proceeds from this issuance to pay off the 1996 and 1998 Water and Sewer Revenue Bonds, the 2001 and 2006 Georgia Environmental Facilities Authority (GEFA) loans.

Water and Sewer revenue bonds outstanding at October 31, 2017 are as follows:

Purpose	Original Amount	Interest Rate	Due Date	Amount
Water & Sewer Fund Improvements	$ 11,060,000	2.00% - 3.00%	2026	$ 6,465,000
Total Revenue Bonds Payable				6,465,000
Less current portion				(775,000)
Long-term portion of revenue bonds				$ 5,690,000

NOTE 7. LONG-TERM DEBT (*continued*)

Debt service requirements to maturity are as follows:

Fiscal Year Ending October 31,	Principal	Interest	Total
2018	$ 775,000	$ 131,565	$ 906,565
2019	790,000	112,065	902,065
2020	800,000	100,873	900,873
2021	815,000	87,823	902,823
2022	830,000	72,378	902,378
2023-2026	2,455,000	126,080	2,581,080
Totals	$ 6,465,000	$ 630,784	$ 7,095,784

Georgia Environmental Facilities Authority Loans

During the year ended October 31, 2010, the City's Stormwater Utility Fund entered into a loan agreement up to $2,542,459 with GEFA for specific storm water projects. This loan is due in 240 monthly installments of $14,100 including interest at 3.00% through July 2033.

During the year ended October 31, 2013, the City's Water & Sewer Fund entered into a loan agreement up to $1,822,843 with GEFA for relocating water and sewer utilities on Veterans Parkway and for a new generator at the wastewater treatment plant on Ft. Stewart. In February 2015, the principal amount of $1,724,687 of this loan was placed into repayment status. This loan is due in 240 monthly installments of $8,243 including interest at 1.40% through February 2035.

During the year ended October 31, 2014, the City's Water & Sewer Fund entered into a loan agreement up to $10,000,000 with GEFA for upgrades to the wastewater treatment plant on Ft. Stewart. During the year ended October 31, 2016, this loan was modified to increase the loan amount to $22,400,000. As of October 31, 2017, the City has drawn $19,592,312 on this loan. The City still has the option to draw down $2,807,688.

During the year ended October 31, 2016, the City's Water & Sewer Fund entered into a loan agreement up to $1,057,792 with GEFA for a new fixed based meter read system to include a SCADA system for the well pump station and tank systems. Under this loan agreement, GEFA agrees to forgive forty percent (40%) of the funds drawn down. As of October 31, 2017, the City has drawn $744,129 on this loan and has $313,663 available to draw down. Of the amount drawn, $297,652 was principal forgiveness.

During the year ended October 31, 2016, the City's Water & Sewer Fund entered into a loan agreement up to $4,622,450 with GEFA for the replacement of the Hinesville Pump Station and its associated 24" force main. During the year ended October 31, 2017, this loan was modified to increase the loan amount to $6,122,450. As of October 31, 2017, the City has drawn $3,561,689 on this loan and has $2,560,761 available to draw down.

NOTE 7. LONG-TERM DEBT (*continued*)

During the year ended October 31, 2017, the City's Water & Sewer Fund entered into a loan agreement up to $409,000 with GEFA for the extension of reuse water lines. Under this loan agreement, GEFA agrees to forgive twenty-five percent (25%) of the funds drawn down. As of October 31, 2017, the City has not made any draws on this loan and has $409,000 available to draw down.

During the year ended October 31, 2017, the City's Water & Sewer Fund entered into a loan agreement up to $2,605,000 with GEFA for the raising of three of the City's elevated water storage tanks and rehabilitating existing wells and well buildings. Under this loan agreement, GEFA agrees to forgive up to $500,000 of the principal of this loan. As of October 31, 2017, the City has not made any draws on this loan and has $2,605,000 available to draw down.

GEFA loans outstanding at October 31, 2017 are as follows:

Purpose	Original Amount	Interest Rate	Due Date	Amount
Water & Sewer Fund Improvements	$ 1,724,687	1.40%	2035	$ 1,521,642
Water & Sewer Fund Improvements	22,400,000	In construction status		19,592,312
Water & Sewer Fund Improvements	1,057,792	In construction status		446,477
Water & Sewer Fund Improvements	6,122,450	In construction status		3,561,689
Stormwater projects	2,542,459	3.00%	2033	2,121,777
Total GEFA loans payable				27,243,897
Less GEFA loans payable in construction status				(23,600,478)
Long-term portion in repayment status				3,643,419
Less current portion				(185,132)
Long-term portion of GEFA Loans				$ 3,458,287

NOTE 7. LONG-TERM DEBT (*continued*)

GEFA loan debt service requirements to maturities, including interest, are as follows:

Fiscal Year Ending October 31,	Principal	Interest	Total
2018	$ 185,132	$ 82,993	$ 268,125
2019	189,488	78,637	268,125
2020	193,958	74,167	268,125
2021	198,546	69,579	268,125
2022	203,255	64,870	268,125
2023-2027	1,091,391	249,233	1,340,625
2028-2032	1,229,367	111,260	1,340,626
2033-2035	352,282	5,433	357,715
Total	$ 3,643,419	$ 736,172	$ 4,379,591

Capital Lease

The City has entered into a lease agreement as lessee for financing the acquisition of two garbage trucks. This lease agreement qualifies as a capital lease for accounting purpose (titles transfer at the end of the lease term) and has been recorded at the present value of the future minimum lease payment as of the date of inception. The lease is being serviced by the Sanitation Fund in quarterly payments with an annual interest rate of 2.39%.

The following is an analysis of the asset recorded under capital leases at October 31, 2017:

Class of Property	Cost	Accumulated Depreciation	Net Book Value	Current Year Depreciation Expense
Equipment	$ 262,136	$ (168,388)	$ 93,748	$ 52,427

The City has entered into a lease agreement as lessee for financing the acquisition of two excavators. This lease agreement qualifies as a capital lease for accounting purpose (titles transfer at the end of the lease term) and has been recorded at the present value of the future minimum lease payment as of the date of inception. The lease is being serviced by the Stormwater Utility Fund in quarterly payments with an annual interest rate of 2.19%.

NOTE 7. LONG-TERM DEBT (*continued*)

The following is an analysis of the asset recorded under capital leases at October 31, 2017:

Class of Property	Cost	Accumulated Depreciation	Net Book Value	Current Year Depreciation Expense
Equipment	$ 529,250	$ (217,783)	$ 311,467	$ 38,145

The City has entered into a lease agreement as lessee for financing the acquisition of a street sweeper. This lease agreement qualifies as a capital lease for accounting purpose (titles transfer at the end of the lease term) and has been recorded at the present value of the future minimum lease payment as of the date of inception. The lease is being serviced by the Stormwater Utility Fund in quarterly payments with an annual interest rate of 2.88%.

The following is an analysis of the asset recorded under capital leases at October 31, 2017:

Class of Property	Cost	Accumulated Depreciation	Net Book Value	Current Year Depreciation Expense
Equipment	$ 219,229	$ (21,923)	$ 197,306	$ 21,923

The future minimum lease obligations and the net present value of these minimum lease payments as of October 31, 2017 are as follows:

Fiscal Year Ending October 31,	Principal	Interest	Total
2018	$ 217,195	$ 8,845	$ 226,040
2019	137,986	4,024	142,010
2020	56,780	1,442	58,222
2021	14,451	104	14,555
Total	$ 426,412	$ 14,415	$ 440,827

NOTE 8. INTERFUND BALANCES AND TRANSFERS

Interfund receivable and payable balances as of October 31, 2017 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental	$ 712,294
General Fund	Stormwater Utility Fund	2,325,855
General Fund	Nonmajor Proprietary	425,371
Nonmajor Governmental	General Fund	446,565
Water and Sewer Fund	General Fund	574,597
Sanitation Fund	Water and Sewer Fund	517,142
		$ 5,001,824

The outstanding balances between funds result mainly from the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made.

Interfund transfers for the year ended October 31, 2017 consisted of the following:

Transfer In	Transfer Out	Purpose	Amount
General Fund	Nonmajor Governmental	Distribution of tax revenue	$ 120,905
General Fund	Nonmajor Governmental	Program administration	61,667
Nonmajor Governmental	General Fund	Grant program assistance	40,767
Nonmajor Governmental	General Fund	LMIG match	113,826
Nonmajor Proprietary	General Fund	Local match	237,632
Total interfund transfers			$ 574,797

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

NOTE 9. PENSION PLAN

A. Plan Description

The City of Hinesville Pension Plan (the Plan) is a noncontributory defined benefit pension plan covering all full-time employees. The Plan is administered by the Georgia Municipal Employees Benefit System (GMEBS), a statewide, agent multiple-employer type plan. GMEBS handles all administrative and investment functions relative to the Plan. Benefits are fully vested after 10 years of service. Participants become eligible to retire at age 65, with 5 years of participation in the Plan. Upon eligibility to retire, participants are entitled to an annual benefit in the amount of 1.0% of final average earnings up to a participant's amount of covered compensation, plus 1.75% of final average earnings in excess of the participant's amount of covered compensation, all multiplied by the participant's years of total credited service. These benefit provisions and all other requirements are established and amended by local ordinance. The GMEBS issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by writing to GMEBS, 201 Pryor Street, SW, Atlanta, Georgia 30303.

B. Plan Membership

As of January 1, 2017 pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	79
Inactive plan members entitled to but not receiving benefits	32
Active plan members	205
	316

C. Contributions

The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the plan. The funding policy for the Plan is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. For the year ended October 31, 2017, the City's contribution rate was 8.32% of annual payroll. City contributions to the Plan were $729,511 for the year ended October 31, 2017.

NOTE 9. PENSION PLAN (*continued)*

D. Net Pension Liability

Effective November 1, 2014, the City implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27,* as well as GASB Statement No. 71, *Pension Transition For Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*, which significantly changed the City's accounting for pension amounts. The information disclosed below is presented in accordance with this standard.

The City's net pension liability was measured as of November 30, 2016 which would make it applicable to the fiscal year beginning November 1, 2016 and ending October 31, 2017.

E. Actuarial Assumptions

The total pension liability in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Net Investment Rate of Return	7.75%
Projected Salary Increases	3.25% plus service based merit increases
Cost of Living Adjustment	0.00%

Mortality rates for the valuation period were based on the RP-2000 Mortality Tables with sex-distinct rates, set forward to years for males and one year for females. The RP-2000 mortality tables were determined to contain sufficient provision appropriate to reasonably reflect future mortality improvement, based on a four-year review of mortality experience for the period January 1, 2010 to June 30, 2014. Mortality experience will be reviewed periodically and updated if necessary.

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 target asset allocation percentage and by adding expected inflation. Best estimates are arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45%	6.75%
International equity	20%	7.45%
Real estate	10%	4.55%
Global Fixed Income	5%	3.30%
Domestic Fixed Income	20%	1.75%
Total	100%	

NOTE 9. PENSION PLAN (*continued)*

F. Discount Rate

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. 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.

G. Changes in the Net Pension Liability

The changes in the components of the net pension liability of the City for the year ended October 31, 2017, were as follows:

	Tota Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 10/31/2016	$ 20,294,302	$ 16,237,733	$ 4,056,569
Changes for the year:			
Service cost	235,838	-	235,838
Interest	1,539,328	-	1,539,328
Differences between expected and actual experience	452,822	-	452,822
Contributions - employer	-	755,734	(755,734)
Contributions - employee	-	-	-
Net investment income	-	859,863	(859,863)
Benefit payments, including refunds of employee contributions	(864,002)	(864,002)	-
Administrativee expenses	-	(23,668)	23,668
Net changes	1,363,986	727,927	636,059
Balances at 10/31/2017	$ 21,658,288	$ 16,965,660	$ 4,692,628

The required schedule of changes in the City's net pension liability and related ratios on pages 67-68 presents multiyear trend information about whether the value of plan assets in increasing or decreasing over time relative to the total pension liability.

NOTE 9. PENSION PLAN (*continued)*

H. 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 7.75%, 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 (6.75%) or 1-percentage-point higher (8.75%) than the current year.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
City's net pension liability	$ 7,199,248	$ 4,692,628	$ 2,582,384

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 November 30, 2016.

I. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended October 31, 2017, the City recognized pension expense of $669,845. At October 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 362,256	$ 72,318
Changes in assumptions	-	245,106
Net difference between projected and actual earnings on pension plan investments	754,395	171,338
City contributions subsequent to the measurement date	668,717	-
Balances at 10/31/2017	$ 1,785,368	$ 488,762

NOTE 9. PENSION PLAN (*continued)*

City contributions subsequent to the measurement date of $668,717 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending October 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending October 31,	Principal
2018	$ 124,322
2019	124,322
2020	209,991
2021	169,254
Totals	$ 627,889

NOTE 10. RELATED ORGANIZATIONS

The City's governing council is responsible for all of the board appointments of the Hinesville Housing Authority. However, the City has no further accountability for this organization. For the year ending October 31, 2017, the City did not provide any contributions to the Hinesville Housing Authority.

NOTE 11. JOINT VENTURES

Under Georgia Law, the City, in conjunction with other cities and counties in the nine county coastal Georgia region, is a member of the Coastal Georgia Regional Commission and is required to pay annual dues thereto. During its year ended October 31, 2017 the City paid $43,468 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the Regional Commission in Georgia. The Coastal Georgia Regional Commission Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a Regional Commission. Separate financial statements may be obtained from the Coastal Georgia Regional Commission, 1181 Coastal Drive SW, Darien, Georgia 31305.

NOTE 12. HOTEL/MOTEL LODGING TAX

The government has levied a 5% lodging tax. Forty percent of the tax received is paid to the Liberty County Convention and Visitor's Bureau (CVB). A summary of the transactions for the year ending October 31, 2017 follows:

Total lodging tax receipts	$ 201,508
40% of tax receipted owed to the Liberty County Convention & Visitors Bureau for October 31, 2017	80,603
Tax receipts owed at October 31, 2016	16,290
Disbursements to the Liberty County Convention & Visitors Bureau during the year ended October 31, 2017	(80,568)
Lodging tax funds due to Liberty County Convention & Visitors Bureau at October 31, 2017	$ 16,325

NOTE 13. RISK MANAGEMENT

The City is exposed to various risks of losses related to torts; theft 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, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

As part of these risk pools, the City is 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 pool's agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds.

The funds are to defend and protect the: members of the funds against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

Settled claims in the past three years have not exceeded the coverages.

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.

NOTE 14. DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time government employees at their option, permits participation to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency. In accordance with GASB Statement No. 32 "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans," no assets or liabilities of the City's Deferred Compensation Plan are included in the City's financial statements.

NOTE 15. COMMITMENTS AND CONTINGENCIES

Litigation

The City is involved in several pending lawsuits. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the City.

Contractual Obligations

The City has contracted with ESG Operations, Inc. for the operation of the City's Public Works and Public Utilities operations. This includes street and right of way maintenance, parks and grounds, mosquito control, and vehicle maintenance in the General Fund; meter reading, construction and maintenance, water lab and pump maintenance and operation of our wastewater treatment plants in the Water and Sewer Enterprise Fund; sanitation services in the Sanitation Enterprise Fund; and drainage services in the Stormwater Utility Enterprise Fund.

In addition to the liabilities enumerated in the balance sheet at October 31, 2017, the City has contractual commitments on uncompleted construction contracts of approximately $991,167 for upgrades to the Hinesville pump station and force main repairs and upgrades to the SCADA system (Water & Sewer Fund).

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.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF HINESVILLE, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

	2015	2016	2017
Total pension liability			
Service cost	$ 249,059	$ 249,629	$ 235,838
Interest on total pension liability	1,427,825	1,476,027	1,539,328
Differences between expected and actual experience	(2,425)	(118,509)	452,822
Changes of assumptions	(490,211)	-	-
Changes of benefit term	111,470	-	-
Benefit payments, including refunds of employee contributions	(630,782)	(716,714)	(864,002)
Net change in total pension liability	664,936	890,433	1,363,986
Total pension liability - beginning	18,738,933	19,403,869	20,294,302
Total pension liability - ending (a)	$ 19,403,869	$ 20,294,302	$ 21,658,288
Plan fiduciary net position			
Contributions - employer	$ 1,041,364	$ 925,416	$ 755,734
Net investment income	1,503,570	481,268	859,863
Benefit payments, including refunds of employee contributions	(630,782)	(716,714)	(864,002)
Administrative expenes	(20,605)	(24,643)	(23,668)
Net change in fiduciary net position	1,893,547	665,327	727,927
Plan fiduciary net position - beginning	13,678,859	15,572,406	16,237,733
Plan fiduciary net position - ending (b)	$ 15,572,406	$ 16,237,733	$ 16,965,660
Net pension liability (a) - (b)	$ 3,831,463	$ 4,056,569	$ 4,692,628
Plan fiduciary net position as a percentage of the total pension liability	80.25%	80.01%	78.33%
Covered-employee payroll	$ 8,693,384	$ 8,537,000	$ 8,666,623
City's net pension liability as a percentage of covered-employee payroll	44.07%	47.52%	54.15%

***NOTE: This schedule will present 10 years of information once it is accumulated.**

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S CONTRIBUTION

	2015	2016	2017
Actuarially determined contribution	$ 1,041,364	$ 917,050	$ 824,437
Contributions in relation to the actuarially determined contribution	1,041,364	934,596	755,734
Contribution deficiency (excess)	$ -	$ (17,546)	$ 68,703
Covered-employee payroll	$ 8,693,384	$ 8,537,000	$ 8,537,000
Contributions as a percentage of covered-employee payroll	11.98%	10.95%	8.85%

Notes to the Schedule

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Projected Unit Credit
Amortizaion Method	Closed level dollar for the remaining unfunded liability
Remaining amortization period	Varies for the bases, with a net effective amortization period of 10 years
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 amount 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.

Actuarial assumptions:

Net investment rate of return	7.75%	
Projected salary increases	3.25%	plus service based merit increases
Cost of living adjustments	0.00%	

***NOTE: This schedule will present 10 years of information once it is accumulated.**

HINESVILLE
GEORGIA

SUPPLEMENTARY DATA

COMBINING STATEMENTS AND SCHEDULES

STATE MANDATED PROGRAM INFORMATION

CITY OF HINESVILLE, GEORGIA

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
OCTOBER 31, 2017

	Special Revenue Funds	
	Multiple Grant Fund	**Hotel/ Motel Tax Fund**
Assets		
Cash and cash equivalents	$ 324,848	$ -
Receivables, net	1,944	33,762
Notes receivable, net	264,401	-
Due from other funds	104,962	-
Restricted assets:		
Cash and cash equivalents	-	-
Due from other governments	67,740	-
Total assets	$ 763,895	$ 33,762
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 6,208	$ 16,325
Due to other funds	352,935	17,437
Total liabilities	359,143	33,762
Fund balances		
Restricted	-	-
Assigned	404,752	-
Total fund balances	404,752	-
Total liabilities and fund balances	$ 763,895	$ 33,762

CITY OF HINESVILLE, GEORGIA

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
OCTOBER 31, 2017

Capital Project Funds		
SPLOST Fund	LMIG Fund	Total Nonmajor Governmental Funds
$ -	$ -	$ 324,848
-	-	35,706
-	-	264,401
-	341,603	446,565
668,900	-	668,900
287,182	-	354,922
$ 956,082	$ 341,603	$ 2,095,342
$ 7,902	$ 3,405	$ 33,840
341,922	-	712,294
349,824	3,405	746,134
606,258	338,198	944,456
-	-	404,752
606,258	338,198	1,349,208
$ 956,082	$ 341,603	$ 2,095,342

CITY OF HINESVILLE, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NON-MAJOR GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED OCTOBER 31, 2017

	Special Revenue Funds	
	Multiple Grant Fund	**Hotel/ Motel Tax Fund**
Revenues:		
Other taxes	$ -	$ 201,508
Intergovernmental	808,952	-
Interest revenues	11,325	-
Total revenues	820,277	201,508
Expenditures:		
Current:		
Public safety	30,626	-
Housing and development	399,698	-
Health and welfare	234,748	-
Culture and recreation	122,690	-
Capital outlay	-	-
Principal	-	-
Interest and fiscal charges	-	-
Intergovernmental	-	80,603
Total expenditures	787,762	80,603
Excess (deficiency) of revenues over (under) expenditures	32,515	120,905
Other financing sources (uses)		
Transfers In	40,767	-
Transfers Out	(61,667)	(120,905)
Total other financing sources (uses)	(20,900)	(120,905)
Net change in fund balances	11,615	-
Fund balance - November 1	393,137	-
Fund balance - October 31	$ 404,752	$ -

CITY OF HINESVILLE, GEORGIA

COMBINING STATEMENT OF REVENUES, AND CHANGES IN FUND BALANCES NON-MAJOR GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED OCTOBER 31, 2017

Capital Project Funds		
SPLOST Fund	**LMIG Fund**	**Total Nonmajor Governmental Funds**
$ -	$ -	$ 201,508
955,207	299,021	2,063,180
875	-	12,200
956,082	299,021	2,276,888
79,120	-	109,746
-	-	399,698
-	-	234,748
-	-	122,690
41,354	150,999	192,353
157,355	-	157,355
71,995	-	71,995
-	-	80,603
349,824	150,999	1,369,188
606,258	148,022	907,700
-	113,826	154,593
-	-	(182,572)
-	113,826	(27,979)
606,258	261,848	879,721
-	76,350	469,487
$ 606,258	$ 338,198	$ 1,349,208

CITY OF HINESVILLE, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - MULTIPLE GRANT FUND
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2017

	Budgeted Amounts Final	Actual	Variance With Final Budget
Revenues			
Intergovernmental	$ 1,274,769	$ 808,952	$ (465,817)
Interest revenues	-	11,325	11,325
Total revenues	1,274,769	820,277	(454,492)
Expenditures			
Public safety			
Police	12,996	3,986	9,010
Fire	44,865	26,640	18,225
Total public safety	57,861	30,626	27,235
Public works			
Highways and streets	-	-	-
Total public works	-	-	-
Housing and development			
Urban redevelopment	612,908	399,698	213,210
Total housing and development	612,908	399,698	213,210
Health and welfare			
Community development	317,188	234,748	82,440
Total health and welfare	317,188	234,748	82,440
Culture and recreation			
Parks and grounds	161,688	122,690	38,998
Total culture and recreation	161,688	122,690	38,998
Total expenditures	1,149,645	787,762	361,883
Excess (deficiency) of revenues over (under) expenditures	125,124	32,515	(92,609)
Other financing sources (uses)			
Transfers In	77,768	40,767	(37,001)
Transfers Out	(202,892)	(61,667)	141,225
Total other financing sources (uses)	(125,124)	(20,900)	104,224
Net change in fund balances	-	11,615	11,615
Fund balance - November 1	383,242	393,137	9,895
Fund balance - October 31	$ 383,242	$ 404,752	$ 21,510

CITY OF HINESVILLE, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - HOTEL/MOTEL TAX FUND
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2017

	Budgeted Amounts Final	Actual	Variance With Final Budget
Revenues			
Other taxes	$ 197,620	$ 201,508	$ 3,888
Total revenues	197,620	201,508	3,888
Expenditures			
Current			
Intergovernmental	76,085	80,603	(4,518)
Total expenditures	76,085	80,603	(4,518)
Excess (deficiency) of revenues over (under) expenditures	121,535	120,905	(630)
Other financing sources (uses):			
Transfers Out	(121,535)	(120,905)	630
Total other financing sources (uses)	(121,535)	(120,905)	630
Net change in fund balances	-	-	-
Fund balance - November 1	-	-	-
Fund balance - October 31	$ -	$ -	$ -

CITY OF HINESVILLE, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALE TAX PROCEEDS FOR THE FISCAL YEAR ENDED OCTOBER 31, 2017

Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures Prior Years	Expenditures Current Year	Expenditures Total
2009 Resolution					
Memorial Drive Realignment Project:					
Section 3	$ 260,520	$ 260,520	$ 260,520	$ -	$ 260,520
Section 4	2,024,329	2,024,329	1,152,419	-	1,152,419
Memorial Drive Phase 4 TE	-	250,000	274,093	-	274,093
Azalea Street	121,000	121,000	155,505	-	155,505
Forest Street Reconstruction	1,124,188	1,124,188	1,117,433	-	1,117,433
Meloney Drive	372,438	372,438	152,990	-	152,990
Hwy 84 ADA Ramps (Stewart to Screven)	67,500	67,500	-	-	-
South Main Street	807,843	807,843	91,756	1,120	92,876
McArthur Road	248,527	248,527	400	7,850	8,250
Milling	300,000	300,000	20,900	-	20,900
ADA Ramps	-	-	5,400	-	5,400
Veteran's Parkway Widening	-	-	3,783	-	3,783
Jack Hill Road	505,930	505,930	411,743	-	411,743
Windhaven Drainage	-	170,000	160,965	-	160,965
Kings Road Drainage	-	41,036	41,036	-	41,036
Mattie Street	-	408,830	-	16,900	16,900
Gibson Street	-	140,080	-	10,934	10,934
Hinesville capital projects	266,848	-	266,848	-	266,848
Hinesville capital projects	218,489	-	218,489	-	218,489
Hinesville capital projects - Debt Service	3,516,213	-	4,180,441	-	4,180,441
Total all Projects	$ 9,833,825	$ 6,504,347	$ 8,514,721	$ 36,804	$ 8,551,525

CITY OF HINESVILLE, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALE TAX PROCEEDS FOR THE FISCAL YEAR ENDED OCTOBER 31, 2017

Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures Prior Years	Expenditures Current Year	Expenditures Total
2016 Resolution					
Public Safety vehicles and equipment	$ 1,000,000	$ 1,000,000	$ -	$ 79,120	$ 79,120
Hinesville capital projects - Debt Service	3,150,000	3,150,000	-	229,350	229,350
Ryon Avenue/US 84 @ Bryant Commons	767,000	767,000	-	-	-
LMIG Road Match	300,000	300,000	-	-	-
Roadway and/or Drainage Infrastructure	600,000	600,000	-	-	-
Other City Projects:	5,950,454	-	-	-	-
Main Street Curb & Gutter and sidewalks	-	1,238,226	-	4,550	4,550
McArthur Road and sidewalks	-	348,367	-	-	-
Fire Station	-	2,700,000	-	-	-
Bryant Commons Entrance & Loop Road	-	839,800	-	-	-
Balance of Ryon Ave @ Bryant Commons	-	76,700	-	-	-
Southside Park	-	742,108	-	-	-
Bradwell Park Renovations	-	5,253	-	-	-
Total all Projects	$ 11,767,454	$ 11,767,454	$ -	$ 313,020	$ 313,020

HINESVILLE
GEORGIA

COMPONENT UNIT

CITY OF HINESVILLE, GEORGIA

BALANCE SHEET
COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY
OCTOBER 31, 2017

Assets		
Cash and cash equivalents	$	182,448
Assets held for resale		838,358
Total assets	$	1,020,806
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$	30,486
Due to other governments		81,674
Customer deposits		100
Total liabilities		112,260
Fund balances		
Unassigned		908,546
Total fund balances	$	908,546

Amounts report for governmental activies in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund.	$	35,537
Certain liabilities, including notes payable, are not due and payable in the current period and, therefore, are not reported in the fund.		(4,207)
Net position of component unit	$	939,876

CITY OF HINESVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2017

Revenues:		
Charges for services	$	19,953
Intergovernmental		311,102
Other revenues		7,285
Total revenues		338,340
Expenditures:		
Administration		273,819
Housing and development		103,320
Debt service:		
Principal		6,878
Interest and fiscal charges		478
Total expenditures		384,495
Excess (deficiency) of revenues over (under) expenditures		(46,155)
Net change in fund balances		(46,155)
Fund balance - November 1		954,701
Fund balance - October 31	$	908,546

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

Net change in fund balance - component unit	$	(46,155)
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.		(1,064)
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. This amount is the net effect of these differences in the treatment of long-term debt and related items.		6,878
Change in net position of component unit	$	(40,341)

HINESVILLE
GEORGIA

STATISTICAL SECTION

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

Contents **Page**

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

City of Hinesville, Georgia
Net Position by Activity
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2008	2009	2010	2011
Governmental activities				
Net investment in capital assets	$ 35,434,244	$ 37,958,051	$ 39,915,094	$ 45,090,621
Restricted	-	-	6,813,401	1,230,256
Unrestricted	9,551,986	9,052,494	(643,479)	2,006,278
Total governmental actives net position	$ 44,986,230	$ 47,010,545	$ 46,085,016	$ 48,327,155
Business-type activities				
Net investment in capital assets	$ 14,505,464	$ 14,349,819	$ 15,511,244	$ 36,204,616
Restricted	983,605	1,022,230	975,793	928,898
Unrestricted	3,343,670	1,272,209	23,943,510	5,036,776
Total business-type activities net position	$ 18,832,739	$ 16,644,258	$ 40,430,547	$ 42,170,290
Primary government				
Net investment in capital assets	$ 49,939,708	$ 52,307,870	$ 55,426,338	$ 81,295,237
Restricted	983,605	1,022,230	7,789,194	2,159,154
Unrestricted	12,895,656	10,324,703	23,300,031	7,043,053
Total primary government net position	$ 63,818,969	$ 63,654,803	$ 86,515,563	$ 90,497,444

*Note: GASB 68 was implemented during fiscal year 2015.

City of Hinesville, Georgia
Net Position by Activity
Last Ten Fiscal Years
(Accrual Basis of Accounting)
continued

2012	2013	2014	2015*	2016	2017
$ 44,891,313	$ 45,307,116	$ 45,709,098	$ 45,242,694	$ 44,224,393	$ 43,505,785
171,859	113,152	-	215,700	175,473	126,480
3,525,295	3,528,944	3,824,687	193,261	1,239,675	2,835,998
$ 48,588,467	$ 48,949,212	$ 49,533,785	$ 45,651,655	$ 45,639,541	$ 46,468,263
$ 35,270,060	$ 38,682,382	$ 36,872,572	$ 39,090,656	$ 36,416,043	$ 34,697,745
1,489,051	1,416,215	902,015	740,360	903,915	903,915
5,209,990	875,035	2,119,014	(809,813)	1,161,704	3,948,839
$ 41,969,101	$ 40,973,632	$ 39,893,601	$ 39,021,203	$ 38,481,662	$ 39,550,499
$ 80,161,373	$ 83,989,498	$ 82,581,670	$ 84,333,350	$ 80,640,436	$ 78,203,530
1,660,910	1,529,367	902,015	956,060	1,079,388	1,030,395
8,735,285	4,403,979	5,943,701	(616,552)	2,401,379	6,784,837
$ 90,557,568	$ 89,922,844	$ 89,427,386	$ 84,672,858	$ 84,121,203	$ 86,018,762

City of Hinesville, Georgia
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2008	2009	2010	2011
Expenses				
Primary government:				
Governmental activities:				
General government	$ 2,071,081	$ 2,094,334	$ 2,483,187	$ 2,429,215
Judicial	352,712	368,461	415,532	426,155
Public safety	9,027,601	9,761,982	10,238,143	11,321,340
Highways and streets	2,476,765	2,665,112	2,761,761	2,875,882
Health and Welfare	526,306	617,340	574,305	625,795
Culture and recreation	880,562	801,662	826,155	889,866
Housing and development	3,198,315	2,468,991	3,466,832	1,979,711
Interest and fiscal changes	67,529	53,893	140,367	407,888
Total governmental activities expenses	18,600,871	18,831,775	20,906,282	20,955,852
Business-type activities:				
Water and sewer	8,128,043	9,205,371	9,105,367	9,268,587
Sanitation	2,220,636	2,166,292	2,386,351	2,516,038
Stormwater utility	1,027,258	1,057,459	939,821	1,054,997
Transit	-	-	208,507	1,750,776
Total business-type activities expenses	11,375,937	12,429,122	12,640,046	14,590,398
Total primary government expenses	29,976,808	31,260,897	33,546,328	35,546,250
Program revenues				
Primary government:				
Governmental activities:				
Charges for services				
General government	692,777	774,060	659,534	789,678
Judiciary	136,248	133,593	138,605	98,349
Public safety	1,158,496	1,213,611	1,165,065	994,721
Public works	75,081	71,426	68,181	66,002
Housing and development	264,734	251,054	131,035	210,411
Operating grants and contributions	1,963,488	1,264,948	1,648,071	1,022,543
Capital grants and contributions	2,876,760	3,344,072	3,800,018	6,728,453
Total governmental activities program revenues	7,167,584	7,052,764	7,610,509	9,910,157
Business-type activities:				
Charges for services	11,192,455	10,111,291	10,429,212	10,912,645
Operating grants and contributions	-	-	83,014	739,949
Capital grants and contributions	-	-	25,725,883	3,819,981
Total business-type activities program revenues	11,192,455	10,111,291	36,238,109	15,472,575
Total primary government program revenues	18,360,039	17,164,055	43,848,618	25,382,732
Net (expense) / revenue				
Governmental activities	(11,433,287)	(11,779,011)	(13,295,773)	(11,045,696)
Business-type activities	(183,482)	(2,317,831)	23,598,063	882,177
Total primary government net (expense) / revenue	(11,616,769)	(14,096,842)	10,302,290	(10,163,519)

(Continued)

City of Hinesville, Georgia
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
continued

2012	2013	2014	2015	2016	2017
$ 2,819,021	$ 2,579,432	$ 2,787,319	$ 2,671,074	$ 2,655,291	$ 2,905,460
439,396	464,156	489,298	473,800	497,030	505,069
9,863,394	9,787,757	9,927,371	9,245,840	9,655,137	9,852,898
2,476,406	2,760,779	2,581,340	3,047,557	3,111,754	2,812,958
684,546	669,911	743,587	682,611	669,871	2,129,339
791,773	866,305	864,952	821,679	832,611	701,923
1,838,628	1,573,491	2,255,583	1,829,571	1,664,079	941,725
386,593	366,568	334,092	351,345	160,528	142,853
19,299,757	19,068,399	19,983,542	19,123,477	19,246,301	19,992,225
9,185,009	9,391,144	9,285,371	9,170,103	9,420,497	8,945,220
2,644,447	2,609,542	2,756,948	2,726,225	2,854,564	2,902,614
1,218,301	1,257,788	1,317,097	1,320,860	1,380,540	1,339,530
1,525,441	999,418	862,768	892,172	687,820	787,852
14,573,198	14,257,892	14,222,184	14,109,360	14,343,421	13,975,216
33,872,955	33,326,291	34,205,726	33,232,837	33,589,722	33,967,441
997,898	1,078,032	1,105,783	1,023,920	1,144,260	1,195,795
102,504	92,582	100,641	107,613	95,970	67,697
1,330,070	1,224,357	1,304,429	1,293,217	1,424,465	1,343,421
93,298	16,460	17,721	18,654	17,469	19,483
300,711	338,576	387,775	360,344	364,919	387,134
1,052,162	789,032	920,415	674,829	410,166	900,993
1,939,196	2,035,426	2,287,199	527,784	403,131	1,133,282
5,815,839	5,574,465	6,123,963	4,006,361	3,860,380	5,047,805
12,503,738	12,086,334	12,217,064	12,645,790	12,939,435	13,910,665
604,998	556,466	418,520	436,148	437,283	520,803
46,828	432,300	-	-	-	297,652
13,155,564	13,075,100	12,635,584	13,081,938	13,376,718	14,729,120
18,971,403	18,649,565	18,759,547	17,088,299	17,237,098	19,776,925
(13,483,918)	(13,493,934)	(13,859,579)	(15,117,116)	(15,385,921)	(14,744,420)
(1,417,634)	(1,182,792)	(1,586,600)	(1,027,422)	(966,703)	753,904
(14,901,552)	(14,676,726)	(15,446,179)	(16,144,538)	(16,352,624)	(13,990,516)

City of Hinesville, Georgia
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2008	2009	2010	2011
General revenues and other changes in net position				
Governmental activities:				
Taxes	12,907,329	13,519,784	13,455,909	13,820,149
Federal and state grants and other contributions not restricted to specific functions	24,795	24,236	26,739	22,516
Investment earnings	108,899	193,345	56,058	24,800
Other revenues	92,937	56,971	137,178	51,912
Gain on sale of assets	-	8,993	(365,982)	6,091
Transfers	-	-	(79,583)	(637,633)
Total governmental activities general revenues and other changes in net position	13,133,960	13,803,329	13,230,319	13,287,835
Business-type activities:				
Federal and state grants and other contributions not restricted to specific functions				
Intergovernmental	-	-	-	145,608
Other revenues	37,984	56,602	49,959	55,708
Investment earnings	149,890	72,749	58,686	18,617
Transfers	-	-	79,583	637,633
Total business type activities general revenues and other changes in net position	187,874	129,351	188,228	857,566
Total primary government general revenues and other changes in net position	13,321,834	13,932,680	13,418,547	14,145,401
Change in net position				
Governmental activities	1,700,673	2,024,318	(65,454)	2,242,140
Business-type activities	4,392	(2,188,480)	23,786,291	1,739,741
Total primary government change in net position	$ 1,705,065	$ (164,162)	$ 23,720,837	$ 3,981,881

City of Hinesville, Georgia
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
continued

2012	2013	2014	2015	2016	2017
14,224,947	14,025,576	14,581,189	15,430,521	15,527,802	15,728,268
20,956	19,937	17,176	14,127	17,005	23,137
26,474	11,372	14,983	11,375	14,304	17,745
49,780	118,561	22,870	16,060	50,748	14,824
6,745	21,049	3,425	28,449	-	-
(583,675)	(143,760)	(195,494)	(214,891)	(209,252)	(237,632)
13,745,227	14,052,735	14,444,149	15,285,641	15,400,607	15,546,342
565,934	88,457	-	-	-	-
57,453	61,781	305,116	59,393	210,769	60,086
9,384	6,997	5,959	6,019	7,141	17,215
583,676	143,760	195,494	214,891	209,252	237,632
1,216,447	300,995	506,569	280,303	427,162	314,933
14,961,674	14,353,730	14,950,718	15,565,944	15,827,769	15,861,275
261,312	558,801	584,570	168,525	14,686	801,922
(201,189)	(881,797)	(1,080,031)	(747,119)	(539,541)	1,068,837
$ 60,123	$ (322,996)	$ (495,461)	$ (578,594)	$ (524,855)	$ 1,870,759

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

	2008	2009	2010	2011*
General Fund				
Reserved	$ 454,746	$ 462,922	$ 1,425,571	$ -
Unreserved	8,658,517	8,018,060	4,659,002	-
Nonspendable	-	-	-	119,806
Committed	-	-	-	66,370
Assigned	-	-	-	2,643,487
Unassigned	-	-	-	409,060
Total General fund	9,113,263	8,480,982	6,084,573	3,238,723
All Other Governmental Funds				
Reserved				
Capital projects funds	-	-	6,813,401	-
Unreserved, reported in:				
Special revenue funds	218,503	201,719	217,753	-
Capital projects funds	(72,050)	78,912	-	-
Restricted	-	-	-	346,780
Assigned	-	-	-	215,622
Total all other governmental funds	$ 146,453	$ 280,631	$ 7,031,154	$ 562,402

Note: *Prior year amounts have not been restated for the implementation of Statement 54.

City of Hinesville, Georgia
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
continued

2012	2013	2014	2015	2016	2017
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
123,225	314,514	121,357	122,219	131,619	184,598
66,400	125,313	104,935	112,550	99,123	50,130
1,648,500	1,183,070	1,160,020	458,699	458,699	458,699
492,934	843,414	1,367,011	2,238,945	2,976,351	3,654,375
2,331,059	2,466,311	2,753,323	2,932,413	3,665,792	4,347,802
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
171,859	113,150	113,150	103,150	76,350	944,456
268,002	379,763	383,242	383,242	393,137	404,752
$ 439,861	$ 492,913	$ 496,392	$ 486,392	$ 469,487	$ 1,349,208

City of Hinesville, Georgia
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2008	2009	2010	2011
Revenues:				
Taxes	$ 15,793,512	$ 13,422,946	$ 13,328,746	$ 13,793,840
Licenses and permits	476,725	562,341	431,860	516,812
Charges for services	733,196	740,652	696,390	687,160
Intergovernmental	2,162,806	4,633,256	5,463,538	4,669,683
Fines, forfeitures, and fees	1,033,661	1,057,140	1,002,884	825,363
Interest revenues	108,899	193,345	56,058	24,800
Other revenues	160,283	145,177	249,329	180,761
Total revenues	20,469,082	20,754,857	21,228,805	20,698,419
Expenditures:				
Current:				
General government	2,046,797	2,075,051	2,499,484	2,305,062
Judicial	351,386	367,289	409,876	422,570
Public safety	8,981,182	9,764,313	10,047,017	10,677,842
Highways and streets	1,924,282	1,742,224	1,785,571	1,950,677
Health and welfare	523,491	615,212	571,853	627,265
Culture and recreation	811,435	543,686	539,631	528,547
Housing and development	2,542,275	2,041,798	3,002,003	1,518,104
Capital outlay	2,894,247	3,089,996	6,122,878	8,058,381
Debt service:				
Principal	255,000	270,000	285,000	895,000
Interest and fiscal charges	70,581	57,124	111,992	413,676
Issuance costs	-	-	218,480	-
Intergovernmental Assistance	1,013,907	695,257	717,641	1,984,350
Total expenditures	21,414,583	21,261,950	26,311,426	29,381,474
Excess (deficiency) of revenues over (under) expenditures	(945,501)	(507,093)	(5,082,621)	(8,683,055)
Other financing sources (uses)				
Proceeds from the sale of capital assets	28,758	8,993	11,210	6,091
Transfers in	407,579	340,696	765,372	409,152
Transfers out	(407,579)	(340,696)	(844,955)	(1,046,785)
Insurance Recoveries	-	-	-	-
Bonds Issued	-	-	9,510,000	-
Paying agent fees	-	-	(1,000)	-
Bond discount	-	-	(3,892)	-
Total other financing sources (uses)	28,758	8,993	9,436,735	(631,542)
Net change in fund balances	$ (916,743)	$ (498,100)	$ 4,354,114	$ (9,314,597)
Debt service as a percentage of noncapital expenditures	1.85%	1.85%	1.98%	6.42%

City of Hinesville, Georgia
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
continued

2012	2013	2014	2015	2016	2017
$ 14,000,212	$ 14,117,974	$ 14,627,280	$ 15,494,583	$ 15,566,083	$ 15,790,940
602,567	592,896	640,027	631,973	660,685	701,765
1,057,039	1,154,046	1,153,508	1,166,165	1,238,511	1,271,603
3,003,793	2,242,837	3,216,859	1,202,270	824,700	2,249,470
1,093,684	895,463	1,001,938	979,319	1,037,609	945,535
26,473	11,372	14,983	11,375	14,304	17,745
149,032	125,756	132,872	116,711	132,278	100,575
19,932,800	19,140,344	20,787,467	19,602,396	19,474,170	21,077,633
2,547,978	2,327,486	2,436,995	2,515,770	2,462,081	2,736,332
434,225	463,732	489,280	487,142	506,583	506,101
9,581,411	9,580,853	9,703,697	9,464,265	9,893,703	10,104,362
1,496,661	1,926,623	1,523,233	1,607,665	1,645,126	1,515,733
682,784	667,298	744,207	697,513	678,024	703,449
441,882	516,627	510,700	466,919	457,749	556,603
1,370,243	1,282,834	1,695,689	1,483,759	1,310,841	1,730,534
1,615,917	333,171	1,146,265	624,338	397,314	192,353
1,045,000	820,000	830,000	845,000	296,149	313,673
381,233	359,360	339,070	350,084	162,550	145,027
-	-	-	-	-	-
788,741	638,380	885,769	704,409	738,324	774,102
20,386,075	18,916,364	20,304,905	19,246,864	18,548,444	19,278,269
(453,275)	223,980	482,562	355,532	925,726	1,799,364
6,745	21,051	3,425	28,449	-	-
190,548	433,896	436,333	424,420	309,792	337,164
(774,223)	(577,656)	(631,827)	(639,311)	(519,044)	(574,797)
-	87,036	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(576,930)	(35,673)	(192,069)	(186,442)	(209,252)	(237,633)
$ (1,030,205)	$ 188,307	$ 290,493	$ 169,090	$ 716,474	$ 1,561,731
7.61%	6.47%	6.16%	6.32%	2.52%	2.42%

City of Hinesville, Georgia
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Tax Digest Year

Tax Digest Year	Real Property: Residential	Real Property: Commercial	Mobile Homes	Motor Vehicles	Other Personal Property	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2007 (1)	367,834,532	125,544,393	3,846,296	45,410,690	31,329,951	(5,630,747)	568,335,115	9.50	1,420,837,788	40%
2008 (1)	376,181,073	125,717,958	3,734,701	48,103,840	32,549,420	(6,104,112)	580,182,880	9.50	1,450,457,200	40%
2009 (1)	380,731,235	127,833,897	3,558,186	44,587,750	32,767,487	(6,460,000)	583,018,555	9.50	1,457,546,388	40%
2010 (1)	401,784,208	127,220,629	3,338,777	43,676,030	29,873,037	(6,470,000)	599,422,681	9.50	1,498,556,703	40%
2011 (1)	415,109,341	138,178,478	3,085,585	49,079,290	31,204,044	(6,412,000)	630,244,738	9.50	1,575,611,845	40%
2012 (1)	417,486,872	139,946,280	2,710,168	49,496,030	14,928,830	(9,620,356)	614,947,824	10.50	1,537,369,560	40%
2013 (1)	415,473,979	179,621,821	2,710,168	51,003,100	12,762,472	(9,893,404)	651,678,136	10.50	1,629,195,340	40%
2014 (1)	430,768,947	171,422,551	2,401,180	41,498,360	13,442,354	(10,695,178)	648,838,214	11.51	1,622,095,535	40%
2015 (1)	418,627,632	174,935,601	2,273,785	28,916,710	11,897,942	(15,869,333)	620,782,337	11.51	1,551,955,843	40%
2016 (1)	426,311,334	182,376,839	2,285,117	21,708,980	13,061,030	(22,864,283)	622,879,017	11.00	1,557,197,543	40%

(1) Source: Liberty County Tax Commissioner

City of Hinesville, Georgia
Property Tax Rates
Last Ten Digest Years

Tax Digest Year	Total Millage Rage	City of Hinesville	Liberty County	Board of Education	Industrial Authority	Hospital Authority	State of Georgia
2007	41.996	9.500	11.646	15.600	2.000	3.000	0.250
2008	41.850	9.500	11.400	15.600	2.000	3.100	0.250
2009	41.850	9.500	11.400	15.600	2.000	3.100	0.250
2010	41.650	9.500	11.300	15.500	2.000	3.100	0.250
2011	41.800	9.500	11.300	15.500	2.000	3.250	0.250
2012	43.130	10.500	11.180	16.000	2.000	3.250	0.200
2013	42.960	10.500	11.180	15.880	2.000	3.250	0.150
2014	43.970	11.510	11.180	15.880	2.000	3.250	0.150
2015	45.320	11.510	12.630	15.880	2.000	3.250	0.050
2016	44.649	11.000	12.630	15.789	2.000	3.230	-

Source: Liberty County Tax Commissioner

City of Hinesville, Georgia
Principal Property Taxpayers
Current Year and Ten Years Ago

Taxpayer	2016 Tax Digest Taxable Assessed Value	2016 Rank	2016 Percentage of Total Taxable Assessed Value	2006 Tax Digest Taxable Assessed Value	2006 Rank	2006 Percentage of Total Taxable Assessed Value
Georgia Power Company	$ 7,626,503	1	1.22%	$ 6,016,634	1	1.27%
Tattersall Village Apts	7,538,747	2	1.21%	-		-
1300 Independence Place	6,283,426	3	1.01%	-		-
Wal-Mart Real Estate	4,297,365	4	0.69%	2,716,977	5	0.57%
JT Hinesville	4,174,021	5	0.67%	-		-
Wal-Mart Stores	3,147,137	6	0.51%	3,043,435	2	0.64%
Dryden Claude & Loretta	2,907,736	7	0.47%	-		-
Lowes Home Center	2,563,391	8	0.41%	2,727,182	4	0.57%
Hinesville Center, LLC	2,551,135	9	0.41%	-		-
Comcast Cablevision	2,505,993	10	0.40%	-		-
Coastal Utilities	-		-	2,971,913	3	0.63%
The Hinesville Group	-		-	2,524,647	6	0.53%
Lowes Center, LLC	-		-	2,236,713	7	0.47%
Raintree Associates LTD	-		-	1,985,722	8	0.42%
The Heritage Bank	-		-	1,689,002	9	0.36%
Perlis-Ellin LLC	-		-	1,583,112	10	0.33%
Total	$ 43,595,454		7.00%	$ 27,495,337		5.78%

City of Hinesville, Georgia
Property Tax Levies and Collections
Last Ten Fiscal Years

Tax Year	Taxes Levied	Errors, Releases or Adjustments	Adjusted Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	% of Levy		Amount	% of Levy
2007	4,866,815	(68,074)	4,798,741	4,654,127	96.99%	152,432	4,806,559	100.16%
2008	5,589,180	(556,137)	5,033,044	4,859,145	96.54%	132,040	4,991,185	99.17%
2009	5,114,417	(21,098)	5,093,319	4,891,691	96.04%	217,370	5,109,061	100.31%
2010	5,155,167	(13,200)	5,141,967	4,967,624	96.61%	202,044	5,169,667	100.54%
2011	5,288,783	(41)	5,288,742	5,080,985	96.07%	197,641	5,278,626	99.81%
2012	5,904,662	(24,307)	5,880,355	5,670,199	96.43%	200,425	5,870,624	99.83%
2013	6,273,751	(150,324)	6,123,426	5,958,723	97.31%	179,105	6,137,828	100.24%
2014	6,538,865	(82,613)	6,456,252	6,293,023	97.47%	175,845	6,468,868	100.20%
2015	6,421,496	(71,793)	6,349,703	6,255,445	98.52%	95,449	6,350,894	100.02%
2016	6,227,110	(47,053)	6,180,057	6,092,900	98.59%		6,092,900	98.59%

Source: Liberty County Tax Commissioner

City of Hinesville, Georgia
Local Option Sales Tax History
Last Ten Calendar Years

	2008	2009	2010	2011	2012
January	$ 247,186	$ 304,783	$ 386,122	$ 343,157	$ 332,999
February	330,016	292,281	379,243	368,479	356,869
March	357,589	274,643	365,520	367,935	382,608
April	373,534	234,317	340,956	356,909	339,411
May	350,726	319,508	344,333	346,457	341,352
June	362,345	347,258	330,211	375,718	350,028
July	352,046	345,952	324,018	369,289	349,351
August	315,295	397,553	354,738	370,314	334,425
September	377,778	339,415	321,727	360,406	328,283
October	337,815	303,748	350,056	314,198	316,440
November	262,917	281,470	348,941	324,260	306,122
December	438,775	332,858	416,934	393,222	351,168
Pro Rata Adjustment	-	24,463	767	8,646	1,076
Total	**$ 4,106,023**	**$ 3,798,249**	**$ 4,263,567**	**$ 4,298,990**	**$ 4,090,133**

	2013	2014	2015	2016	2017
January	$ 261,994	$ 261,020	266,204	244,441	269,454
February	343,330	292,382	284,642	292,871	279,172
March	315,621	314,874	266,474	295,532	331,226
April	266,344	279,745	280,220	275,660	301,503
May	280,246	291,239	284,390	271,471	300,813
June	286,869	286,409	293,808	284,358	315,432
July	305,581	292,715	303,645	274,709	308,906
August	383,121	292,388	294,338	273,711	290,451
September	279,687	288,794	299,112	270,335	295,536
October	264,256	289,435	278,486	280,987	284,572
November	279,612	281,209	275,889	283,806	301,853
December	309,012	312,866	311,082	268,153	332,503
Pro Rata Adjustment	322	1,737	428	1,426	871
Total	**$ 3,575,996**	**$ 3,484,813**	**$ 3,438,717**	**$ 3,317,460**	**$ 3,612,293**

City of Hinesville, Georgia
Water and Sewer Rates
Last Ten Fiscal Years

	Water		Sewer	
Fiscal Years ended October 31,	**Gallons**	**Charge**	**Gallons**	**Charge**
2008	up to 3,000	$11.80	up to 5,000	$11.80
	3,001 - 7,000	$11.80+$1.70 x [(consumption/1,000)-5]	5,001 - 7,000	$11.80+$1.70 x [(consumption/1,000)-5]
	7,001 - 12,000	$18.60+$1.80 x [(consumption/1,000)-7]	7,001 - 12,000	$15.20+$1.80 x [(consumption/1,000)-7]
	12,001 - 20,000	$27.60+$1.90 x [(consumption/1,000)-12]	12,001 - 20,000	$24.20+$1.90 x [(consumption/1,000)-12]
	20,001 - Over	$42.80+$2.15 x [(consumption/1,000)-20]	20,001 - Over	$39.40+$2.15 x [(consumption/1,000)-20]
2009-2011	up to 3,000	$12.10	up to 5,000	$12.10
	3,001 - 7,000	$12.10+$1.80 x [(consumption/1,000)-5]	5,001 - 7,000	$12.10+$1.80 x [(consumption/1,000)-5]
	7,001 - 12,000	$19.30+$1.90 x [(consumption/1,000)-7]	7,001 - 12,000	$15.70+$1.90 x [(consumption/1,000)-7]
	12,001 - 20,000	$28.80+$2.00 x [(consumption/1,000)-12]	12,001 - 20,000	$25.20+$2.00 x [(consumption/1,000)-12]
	20,001 - Over	$44.80+$2.30 x [(consumption/1,000)-20]	20,001 - Over	$41.20+$2.30 x [(consumption/1,000)-20]
2012	up to 3,000	$12.58	up to 5,000	$12.58
	3,001 - 7,000	$12.58+$1.91 x [(consumption/1,000)-5]	5,001 - 7,000	$12.58+$1.91 x [(consumption/1,000)-5]
	7,001 - 12,000	$22.22+$2.05 x [(consumption/1,000)-7]	7,001 - 12,000	$16.40+$2.05 x [(consumption/1,000)-7]
	12,001 - 20,000	$30.47+$2.20 x [(consumption/1,000)-12]	12,001 - 20,000	$26.65+$2.20 x [(consumption/1,000)-12]
	20,001 - Over	$48.07+$2.58 x [(consumption/1,000)-20]	20,001 - Over	$44.25+$2.58 x [(consumption/1,000)-20]
2013-2017	up to 3,000	$13.71	up to 5,000	$13.71
	3,001 - 7,000	$13.71+$2.14 x [(consumption/1,000)-5]	5,001 - 7,000	$13.71+$2.14 x [(consumption/1,000)-5]
	7,001 - 12,000	$22.27+$2.34 x [(consumption/1,000)-7]	7,001 - 12,000	$17.99+$2.34 x [(consumption/1,000)-7]
	12,001 - 20,000	$33.97+$2.54 x [(consumption/1,000)-12]	12,001 - 20,000	$29.69+$2.54 x [(consumption/1,000)-12]
	20,001 - Over	$54.29+$3.11 x [(consumption/1,000)-20]	20,001 - Over	$50.01+$3.11 x [(consumption/1,000)-20]

Source: City of Hinesville Water Department

City of Hinesville, Georgia
Water and Sewer Consumption
Last Ten Fiscal Years

		Daily Water Consumption			Daily Sewer Consumption		Annual Water Consumption by Type (in thousands of gallons)			
Fiscal Year Ended October 31,	**Total Water Customers**	**Peak (MGD)**	**Average (MGD)**	**Total Sewer Customers**	**Peak (MGD)**	**Average (MGD)**	**Residential**	**Industrial**	**Commercial**	**Government**
2008	9,810	3.611	3.064	9,644	5.760	5.160	780,196	4,152	188,458	11,790
2009	9,764	4.705	3.210	9,583	5.337	3.335	824,767	3,039	180,713	10,667
2010	9,618	3.233	2.925	9,468	5.719	4.281	768,445	1,634	171,870	13,969
2011	9,913	3.470	3.154	9,708	4.998	4.140	831,323	2,057	184,360	13,065
2012	9,867	3.242	2.957	9,624	3.881	2.668	764,108	1,279	168,717	13,091
2013	9,972	2.984	2.758	9,768	3.022	2.592	696,132	1,401	164,120	8,312
2014	10,032	3.231	3.152	9,827	3.589	3.245	740,850	1,330	165,154	11,109
2015	10,202	3.338	2.991	9,997	4.112	3.743	696,214	1,038	170,328	8,282
2016	10,314	3.149	2.862	10,110	4.015	3.745	611,590	1,108	144,253	8,411
2017	10,670	3.360	3.052	10,502	5.307	4.381	736,685	1,245	173,643	7,552

MGD=Millions of Gallons per Day
Source: City of Hinesville Water Department

City of Hinesville, Georgia
Ten Largest Water and Sewer Customers
Current Fiscal Year

Customer	Gallons Metered	Water Revenue	Sewer Revenue	Total Revenue
Raintree Apartments	138,758	40,892	40,858	81,750
Woodwind South	128,478	39,863	39,810	79,673
Summerwind Condos	125,255	40,913	40,866	81,779
Place Properties	92,619	37,513	37,513	75,026
Tattersall Village Apts	86,610	34,766	34,494	69,260
Shady Oaks MHP	81,122	25,134	25,083	50,217
Liberty Co Jail	74,362	23,032	22,980	46,012
Bradwell Institute	73,707	22,859	22,808	45,667
Liberty Regional Hospital	72,332	32,519	32,467	64,986
Northgate Apts	67,626	20,937	20,885	41,822
Totals	**940,869**	**$ 318,428**	**$ 317,764**	**$ 636,192**

Source: City of Hinesville Water Department

City of Hinesville, Georgia
Legal Debt Margin Information
Last Ten Fiscal Years

Fiscal Years Ended October 31,	Assessed value of taxable property	Debt Limit (10% of assessed value)	Amount of outstanding debt applicable to debt limit	Legal debt margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2008	568,335,115	56,833,512	-	56,833,512	0.00
2009	580,182,880	58,018,288	-	58,018,288	0.00
2010	583,018,555	58,301,856	-	58,301,856	0.00
2011	599,422,681	59,942,268	-	59,942,268	0.00
2012	630,244,738	63,024,474	-	63,024,474	0.00
2013	614,947,824	61,494,782	-	61,494,782	0.00
2014	651,678,136	65,167,814	-	65,167,814	0.00
2015	648,838,214	64,883,821	-	64,883,821	0.00
2016	620,782,337	62,078,234	-	62,078,234	0.00
2017	622,879,017	62,287,902	-	62,287,902	0.00

City of Hinesville, Georgia
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities			Business-type Activities				
Fiscal Years Ended October 31,	**Build America Bonds**	**Certificates of Participation**	**Notes Payable**	**Revenue Bonds**	**Notes Payable**	**Total Primary Government**	**Percentage of Personal Income (1)**	**Per Capita (1)**
2008	-	1,090,000	-	4,370,015	29,185,145	34,645,160	2.26%	573
2009	-	820,000	-	3,708,356	29,322,833	33,851,189	2.01%	579
2010	9,506,189	535,000	-	3,011,697	29,622,249	42,675,135	2.49%	686
2011	8,911,384	235,000	-	2,545,000	13,015,867	24,707,251	1.30%	389
2012	8,101,579	-	-	1,740,000	13,738,181	23,579,760	1.20%	360
2013	7,281,774	-	-	9,986,843	2,519,168	19,787,785	1.04%	309
2014	6,451,969	-	-	8,771,483	4,536,172	19,759,624	0.98%	303
2015	5,610,000	-	-	8,021,983	6,482,638	20,114,621	0.95%	308
2016	5,313,851	-	-	7,275,131	18,855,402	31,444,384	1.50%	503
2017	4,998,080	-	-	6,509,602	27,670,311	39,177,993	1.87%	617

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

(1) See Schedule of Demographics and Economic Statistics for personal income and population data.

City of Hinesville, Georgia
Direct and Overlapping Governmental Activities Debt
As of October 31, 2017

Jurisdiction	Amount of Authorized Overlapping Debt	Amount of Outstanding Debt as of 10/31/2017	Percentage Applicable to the City of Hinesville [(a)]	Amount Applicable to the City of Hinesville
City of Hinesville, Georgia - Direct Debt				
Public Facilities Authority Bonds, Refunding Revenue Bond (City of Hinesville Projects), Series 2015	$ 5,610,000	$ 4,998,080	100.00%	$ 4,998,080
Subtotal direct debt				4,998,080
Liberty County, Georgia - Overlapping Debt				
Public Facilities Authority Bonds, 2009 Series	20,785,000	15,813,433	42.96%	6,792,843
Liberty County Projects Corporation, 2001 Series	4,772,038	3,890,052	42.96%	1,671,017
Subtotal overlapping debt				8,463,860
Total direct and overlapping debt				$ 13,461,940

Sources: Assessed value data used to estimate applicable percentages provided by the Liberty County Tax Assessors Office. Liberty County, Georgia debt issuances and outstanding debt provided by the County Finance Department.

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 could place burden on the residents and businesses of the City of Hinesville. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account.

(a) The percentage of overlapping debt applicable is estimated using the assessed gross digest. Applicable percentages were estimated by determining the portion of the City's assessed taxable value that is within the County's boundaries and dividing it by the County's total gross digest.

City of Hinesville, Georgia
Pledged Revenue Coverage
Last Ten Fiscal Years

	Water Revenue Bonds					
				Debt Service[b]		
Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage Ratio
2008	8,203,564	5,459,268	2,744,296	745,000	282,993	2.67
2009	7,079,398	6,101,358	978,040	780,000	246,222	0.95
2010	7,170,886	5,989,932	1,180,954	815,000	207,230	1.16
2011	7,541,581	6,224,685	1,316,896	810,000	165,793	1.35
2012	9,037,318	6,253,767	2,783,551	805,000	123,898	3.00
2013	8,001,215	6,581,155	1,420,060	850,000	81,550	1.52
2014	8,360,549	6,785,346	1,575,203	1,210,000	204,226	1.11
2015	8,347,452	6,610,518	1,736,934	720,000	182,015	1.93
2016	8,713,263	7,026,653	1,686,610	735,000	167,615	1.87
2017	9,432,051	6,704,871	2,727,180	755,000	135,399	3.06

(a) Operating expenses do not include interest, depreciation, amortization expenses, or support departments such as administration & finance.
(b) Details regarding the City's outstanding debt can be found in the notes to the financial statements.

City of Hinesville, Georgia
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (1)	Per Capita Personal Income (1)	Median Age (2)	Unemployment Rate (3)	School Enrollment (4) Private	Public	Home Schooled
2008	60,503	1,531,289	25,309	25	6.60%	410	11,051	164
2009	58,491	1,680,122	28,724	27	8.50%	460	10,356	185
2010	62,186	1,711,213	27,518	27	8.50%	506	10,537	175
2011	63,453	1,906,231	30,042	27	9.20%	400	10,511	178
2012	65,451	1,971,389	30,120	27	9.60%	398	10,179	129
2013	64,135	1,909,123	29,767	27	9.80%	365	10,231	134
2014	65,198	2,006,358	30,773	27	9.90%	282	9,874	130
2015	65,339	2,120,352	32,452	27	6.80%	280	10,000	N/A
2016	62,467	2,092,122	33,492	27	5.90%	313	9,874	N/A
2017	63,458	2,099,759	33,089	27	4.40%	318	9,928	N/A

(1)Source: Bureau of Economic Analysis: Regional Economic Accounts-estimates
(2)Source: U.S. Bureau of the Census, Census 2000
(3)Source: State Department of Labor
(4)Source: Liberty County Board of Education (as of 2015, home school enrollment is not reported to the BOE)

City of Hinesville, Georgia
Demographic Profile
Census 2010

	City of Hinesville	Liberty County	State of Georgia	National
Population, 2010	33,437	63,453	9,687,653	308,745,538
Population, percent change, 2000 to 2010	10.00%	3.00%	18.30%	9.70%
Persons under 5 years old, percent	10.30	10.30	7.10	6.50
Persons under 18 years old, percent	30.60	30.20	25.70	24.00
Persons 65 years old and over, percent	5.30	6.30	10.70	13.00
Female persons, percent	52.70	51.20	51.20	50.80
White persons, percent	40.00	47.10	59.70	72.40
Black or African American persons, percent	47.40	42.20	30.50	12.60
American Indian and Alaska Native persons, percent	0.50	0.60	0.30	0.90
Asian persons, percent	2.60	2.00	3.20	4.80
Native Hawaiian and Other Pacific Islander, percent	0.80	0.60	0.10	0.20
Persons reporting some other race, percent	5.00	4.30	4.00	6.20
Persons reporting two or more races, percent	5.30	4.70	2.10	2.90
High school graduates, percent of persons age 25+	91.60	87.90	82.90	84.60
Bachelor's degree or higher, percent of persons age 25+	16.50	15.20	27.10	27.50
Households	11,162	21,027	3,488,349	112,611
Persons per household	2.68	2.81	2.63	2.6
Median household income 2005-2009	$ 41,198	$ 41,275	$ 47,469	$ 50,221
Per capita money income, 2005-2009	18,356	17,640	25,098	27,041
Median value of owner-occupied housing	107,300	110,100	160,100	185,400
Land area, 2000 (square miles)	20.37	489.8	57,513.50	3,531,905

Source: Year 2010 U.S. Census Report

City of Hinesville
Ten Largest Employers in Liberty County
Current Year and Ten Years Ago

	2017			2007		
Business	**Number of Employees (1)**	**Rank**	**Percentage of Total County Employment (2)**	**Number of Employees (1)**	**Rank**	**Percentage of Total County Employment (2)**
Fort Stewart Civilian Employees	3,378	1	10.45%	3,560	1	13.32%
Liberty County Board of Education	1,991	2	5.79%	1,750	2	6.55%
SNF, Inc.	1,301	3	3.63%	812	3	3.04%
Liberty Regional Medical Center	562	4	2.04%	550	5	2.26%
Wal-Mart Super Center	528	5	1.84%	540	6	2.06%
Target	430	6	1.82%	603	4	2.02%
Liberty County Board of Commissioners	395	7	1.29%	390	7	1.46%
The Heritage Bank	-		-	318	8	1.19%
Interstate Paper Corporation	209	8	0.90%	286	9	1.07%
Firfh Rixon Forgings. LLC	207	9	0.89%	-		-
City of Hinesville	203	10	0.85%	200	10	0.75%
The Gift Wrap Company	-		-	-	-	-
Totals	9,204		29.50%	9,009		33.72%

(1) Source: Liberty County Development Authority
(2) Source: Georgia Department of Labor

City of Hinesville, Georgia
Full Time Equivalent City Employees By Department
Last Ten Fiscal Years

Fiscal Year Ended October 31,	General Government	Police Department	Fire Department	Inspections	Total
2008	38	106	49	12	205
2009	37	98	49	12	196
2010	41	100	49	14	204
2011	43	104	49	14	210
2012	43	101	47	14	205
2013	43	100	49	14	206
2014	42	103	45	14	204
2015	43	100	48	13	204
2016	46	101	49	13	209
2017	43	100	47	13	203

Source: City of Hinesville Human Resource Department

City of Hinesville, Georgia
Public Safety Operating Indicators by Function
Last Ten Fiscal Years

Function	2008	2009	2010	2011
Police				
Citations issued[1]	11,194	11,256	9,277	9,991
DUI Citations issued[1]	145	202	124	110
Warnings issued[1]	4,825	4,666	4,656	4,663
Crime Statistics:[2]				
Aggravated Assault	56	47	40	37
Auto Theft	72	73	63	57
Murder	1	2	5	1
Rape	9	13	13	14
Robbery	53	74	47	49
Burglary	517	635	470	521
Theft	1,364	1,200	1,190	1,112
Fire[3]				
Incident responses	2,219	2,422	2,383	3,853
Public Safety Education				
Events	1,491	1,601	648	301
Persons contacted	13,511	11,260	16,480	15,871

(1) Source: Hinesville Municipal Court
(2) Source: Hinesville Police Department
(3) Source: Hinesville Fire Department

City of Hinesville
Public Safety Operating Indicators by Function
Last Ten Fiscal Years
continued

2012	2013	2014	2015	2016	2017
12,566	10,501	11,424	12,225	10,826	10,735
112	126	96	86	149	130
5,135	4,540	4,712	6,738	5,773	5,096
125	88	139	83	154	166
46	69	46	48	36	56
1	4	1	1	1	2
22	10	7	9	14	21
34	43	35	25	49	33
425	371	353	223	209	244
1,117	1,117	1,147	1,002	1,071	1,051
3,463	3,074	3,260	3,343	3,539	3,558
280	294	425	359	450	427
48,811	49,377	42,058	49,817	34,123	26,628

City of Hinesville, Georgia
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	85	88	87	86	86	61	90	83	83	98
Fire										
Fire stations	2	2	2	2	2	2	2	2	2	2
Units (SUV, Cars)	9	9	9	9	9	9	9	8	9	16
Dive Van	2	2	2	2	2	2	2	1	1	1
Dive Boat	1	1	1	1	1	1	1	1	1	1
Fire Safety House	1	1	1	1	1	1	1	1	1	1
Rehab Trailer	1	1	1	1	1	1	1	1	1	1
HazMat Unit	1	1	1	1	1	1	1	1	1	1
Fire Trucks										
Engine	3	3	3	3	3	3	3	3	3	3
Ladder	1	1	1	1	1	1	1	1	1	1
Tanker	1	1	1	1	1	1	1	1	1	1
Service trucks	1	1	1	1	1	1	1	1	1	1
Rescue	3	3	3	3	3	3	3	3	3	-
Public works										
Streets owned & maintained (miles)[a]	0.62	0.64	0.65	0.65	0.06	0.65	0.65	1.77	1.77	1.81
Right-of-ways maintained (miles)[a]	1.47	1.53	1.55	1.55	1.55	1.55	1.55	1.89	1.89	1.93
Trucks	23	23	23	23	23	26	26	11	11	11
Heavy Equip	21	21	19	21	21	23	23	18	18	18
Water										
Service trucks	7	7	7	7	7	7	7	7	7	7
Fire hydrants	1,185	1,203	1,222	1,228	1,249	1,264	1,282	1,303	1,318	1,304
Storage capacity (millions of gallons)[b]	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Wastewater										
Treatment capacity per day (millions of gallons) #1	7.15	7.15	7.15	7.15	7.15	7.15	7.15	7.15	7.15	3.36
Treatment capacity per day (millions of gallons) #2	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Solid Waste										
Garbage can collection trucks	8	8	7	8	8	8	8	7	7	7
Other collection trucks [c]	15	10	13	10	10	11	11	8	8	6
Transit										
Buses	-	-	8	9	9	9	9	9	9	9

Source: Various City departments.

Note: No capital asset indicators are available for the general government functions.

[a] Data presented is in sq. miles.

[b] Water storage is available in six city-owned water towers.

[c] Other collection trucks include trucks to dispose of white goods, bulky items, and yard waste.

City of Hinesville, Georgia
Construction Activity
Last Ten Fiscal Years

Fiscal Year Ended October 31,	Residential Permits Issued	Residential Water ERUs	Residential Sewer ERUs	Commercial Permits Issued	Commercial Water ERUs	Commercial Sewer ERUs
2008	81	192.78	103.00	17	45.11	24.44
2009	91	104.44	107.00	6	17.55	32.13
2010	57	57.00	138.00	4	28.39	33.35
2011	103	112.00	109.00	12	38.44	32.45
2012	173	164.00	157.00	22	19.35	32.45
2013	122	133.33	128.00	2	46.44	16.71
2014	140	141.00	141.00	8	52.22	24.54
2015	133	132.00	131.00	5	208.22	95.29
2016	136	135.00	135.00	12	41.83	78.44
2017	185	193.00	194.00	7	62.44	31.42

Source: City of Hinesville Department of Inspections

Note: ERU as defined is an Equivalent Residential Unit. One sewer ERU is equal to 350 gallons per day and one water ERU is equal to the flow from a 3/4" meter

HINESVILLE
GEORGIA

COMPLIANCE SECTION

CITY OF HINESVILLE, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2017

Federal/Grantor/Pass-Through Grantor/Program or Cluster Title	**Pass-Through Entity Identifying Number**	**Federal CFDA Number**	**Federal Expenditures**
U.S. Department of Housing and Urban Development			
Direct Programs:			
2015 Continuum of Care	GA0320L4B011500	14.267	$ 119,930
Total Continuum of Care Grants			*119,930*
Community Development Block Grant-Entitlement Grant	B-12-MC-13-0013	14.218	20,191
Community Development Block Grant-Entitlement Grant	B-13-MC-13-0013	14.218	18,630
Community Development Block Grant-Entitlement Grant	B-14-MC-13-0013	14.218	104,060
Community Development Block Grant-Entitlement Grant	B-15-MC-13-0013	14.218	4,789
Community Development Block Grant-Entitlement Grant	B-16-MC-13-0013	14.218	123,508
Community Development Block Grant-Entitlement Grant	B-17-MC-13-0013	14.218	2,052
Total CDBG Entitlement Grants			*273,230*
Total Direct Programs			393,160
Pass through Georgia Department of Community Affairs			
Emergency Solutions Grant (Emergency Shelter)	2016 16E EV 16C071	14.231	16,693
Emergency Solutions Grant (Homeless Prevention)	2016 16E EP 16C073	14.231	5,212
Emergency Solutions Grant (Rapid Re-housing)	2016 16E ER 16C072	14.231	7,763
Emergency Solutions Grant (Project Homeless Connect)	2016 HTF ETA 16C074	14.231	2,850
Emergency Solutions Grant (Emergency Shelter)	2017 17E EV 17C137	14.231	1,982
Emergency Solutions Grant (Homeless Prevention)	2017 17E EP 17C135	14.231	3,943
Emergency Solutions Grant (Rapid Re-housing)	2017 17E ER 17C136	14.231	837
Subtotal Emergency Solutions Grants			*39,280*
Community HOME Investment Program	2014-917	14.235	269,249
Total Pass-through Programs			308,529
Total U.S. Department of Housing and Urban Development			**$ 701,689**
U.S. Department of Justice			
Direct Programs:			
Ed Byrne Memorial	2016-DJ-BX-0866	16.738	3,986
Total Direct Programs			3,986
Total U.S. Department of Justice			**$ 3,986**

Continued

CITY OF HINESVILLE, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2017

Federal/Grantor/Pass-Through Grantor/Program or Cluster Title	**Pass-Through Entity Identifying Number**	**Federal CFDA Number**	**Federal Expenditures**
U.S. Environmental Protection Agency			
Capitalization Grants for Clean Water-State Revolving Loan Funds-(Loan)	CWSRF-16-004	66.458	$ 2,769,272
Capitalization Grants for Drinking Water-State Revolving Loan Funds-(Loan)	DWSRF-15-035	66.468	720,264
Total U.S. Environmental Protection Agency			**$ 3,489,536**
U.S. Department of Transportation			
Pass through Georgia Department of Transportation			
Section 5307 Operating Assistance	GA-90-X354	20.507	131,142
Section 5307 Capital Contracting Cost	GA-90-X354	20.507	132,527
Section 5307 Capital Improvements Assistance	GA-90-X354	20.507	8,097
Section 5307 Operating Assistance	GA-90-X373	20.507	65,625
Section 5307 Capital Contracting Cost	GA-90-X373	20.507	77,509
Section 5307 Capital Improvement Assistance	GA-90-X373	20.507	55,903
Total Pass-through Programs			470,803
Total U.S. Department of Transportation			**$ 470,803**
U.S. Department of Homeland Security			
Pass through Liberty County United Way			
Emergency Food and Shelter Grant (Phase 34)	196000-013	97.024	7,000
Total Pass-through Programs			7,000
Total U.S. Department of Homeland Security			**$ 7,000**
U.S. Department of Labor			
Pass through WorkSource Coastal			
Workforce Innovation	COH-15-1	17.278	2,148
Workforce Innovation	COH-16-1	17.278	43,184
Total Pass-through Programs			45,332
Total U.S. Department of Labor			**$ 45,332**
Total Expenditures of Federal Awards			**$ 4,718,346**

CITY OF HINESVILLE, GEORGIA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2017

STATUS OF PRIOR YEAR AUDIT FINDINGS

None reported.

HINESVILLE
GEORGIA

MAULDIN
& JENKINS

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 Members
of the City Council
Hinesville, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Hinesville, Georgia (the "City"), as of and for the year ended October 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 23, 2018.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 over financial reporting 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 over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Macon, Georgia
April 23, 2018

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

To the Honorable Mayor and Members
of the City Council
Hinesville, Georgia

Report on Compliance For Each Major Federal Program

We have audited the City of Hinesville, Georgia's (the "City") compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the City's major federal programs for the year ended October 31, 2017. The City's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis of our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

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 each of its major federal programs for the year ended October 31, 2017.

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Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Macon, Georgia
April 23, 2018

CITY OF HINESVILLE, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2017

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting: Material weaknesses identified?	____Yes __X__No
Significant deficiencies identified not considered to be material weaknesses?	____Yes __X__None Reported
Noncompliance material to financial statements noted?	____Yes __X__No

Federal Awards

Internal control over major programs: Material weaknesses identified?	____Yes __X__No
Significant deficiencies identified not considered to be material weaknesses?	____Yes __X__None Reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	____Yes __X__No

Identification of major program:

CFDA Number	Name of Federal Program or Cluster
66.458	**U.S. Environmental Protection Agency** Capital Grants for Clean Water State Revolving Loan Funds

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	__X__Yes ____No

CITY OF HINESVILLE, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2017

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.