

HINESVILLE

GEORGIA

"Home for a Day or a Lifetime"

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR
ENDED OCTOBER 31, 2020**

Prepared by:
City of Hinesville
Finance Department



HINESVILLE
GEORGIA

CITY OF HINESVILLE, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Table of Contents
FOR THE YEAR ENDED OCTOBER 31, 2020

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal.....	i
Principal Officials	viii
Organization Chart	ix
Certificate of Achievement for Excellence in Financial Reporting	x
FINANCIAL SECTION	
INDEPENDENT AUDITOR’S REPORT	1
MANAGEMENT’S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS:	
GOVERNMENT-WIDE FINANCIAL STATEMENTS:	
Statement of Net Position.....	18
Statement of Activities.....	20
FUND FINANCIAL STATEMENTS:	
Governmental Funds:	
Balance Sheet	22
Reconciliation of the Balance Sheet.....	23
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	24
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	25
Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual – General Fund	26
Proprietary Funds:	
Statement of Net Position.....	28
Statement of Revenues, Expenses and Changes in Net Position.....	30
Statement of Cash Flows	34
NOTES TO THE FINANCIAL STATEMENTS.....	38
REQUIRED SUPPLEMENTARY INFORMATION:	
Required Supplementary Information – Net Pension Liability and Related Ratios	69
Required Supplementary Information- Schedule of Employer’s Contribution.....	71

CITY OF HINESVILLE, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Table of Contents
FOR THE YEAR ENDED OCTOBER 31, 2020

SUPPLEMENTARY DATA – Combing Statements and Schedules and State Mandated

Program Information: Non-major Governmental Funds:	
Balance Sheet	73
Statement of Revenues, Expenditures and Changes in Fund Balances	75
Schedule of Revenues, Expenditures and Changes in Fund Balances	
Budget and Actual – Multiple Grant Funds	77
Budget and Actual – Hotel/Motel Tax Fund	78
Combining Statements: Non-major Proprietary Funds:	
Statement of Net Position	79
Statement of Revenues, Expenses and Changes in Net Position	80
Statement of Cash Flows	82
Schedule of Expenditures of Special Purpose Local Option Sale Tax Proceeds	84
Component Units	
Downtown Development Authority	
Balance Sheet	86
Statement of Revenues, Expenditures, and Changes in Fund Balances	87
Hinesville Development Authority	
Balance Sheet	88
Statement of Revenues, Expenditures, and Changes in Fund Balances	89

STATISTICAL SECTION

Comment Relative to Statistical Section	90
-----------------------------------------------	----

FINANCIAL TRENDS

Net Position by Activity – Last Ten Fiscal Years	91
Changes in Net Position – Last Ten Fiscal Years	93
Fund Balances, Governmental Funds – Last Ten Years	97
Changes in Fund Balances, Governmental Funds – Last Ten Years	99

REVENUE CAPACITY

Assessed Value and Estimated Actual Value of Taxable Property	
Last Ten tax Digest Years	101
Property Tax Rates – Last Ten Tax Digest Years	102
Principal Property Taxpayers – Current Year and Ten Years Ago	103
Property Tax Levies and Collections – Last Ten Fiscal Years	104
Local Option Sales Tax History – Last Ten Calendar Years	105
Water and Sewer Rates – Last Ten Fiscal Years	106
Water and Sewer Consumption – Last Ten Fiscal Years	107
Ten Largest Water and Sewer Customers – Current Fiscal Year	108

CITY OF HINESVILLE, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Table of Contents
FOR THE YEAR ENDED OCTOBER 31, 2020

DEBT CAPACITY

Legal Debt Margin Information – Last Ten Fiscal Years	109
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	110
Direct and Overlapping Governmental Activities Debt	111
Pledged Revenue Coverage – Last Ten Fiscal Years	112

DEMOGRAPHIC AND ECONOMIC INFORMATION

Demographic and Economic Statistics – Last Ten Fiscal Years	113
Demographic Profile – Census 2010	114
Ten Largest Employers in Liberty County – Current Year and Ten Years Ago	115

OPERATING INFORMATION

Full Time Equivalent City Employees by Department – Last Ten Fiscal Years	116
Public Safety Operating Indicators by Function – Last Ten Fiscal Years	117
Capital Asset Statistics by Function – Last Ten Fiscal Years	119
Construction Activity – Last Ten Fiscal Years	120

COMPLIANCE SECTION

Schedule of Expenditures of Federal Awards	121
Notes to Schedule of Expenditures of Federal Awards	123
Summary Schedule of Prior Audit Findings and Questioned Costs	124
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	125
Report on Compliance for Each Major Program and on Internal Control Over Compliance required by the Uniform Guidance	127
Schedule of Findings and Questioned Costs	130



HINESVILLE
GEORGIA

INTRODUCTORY SECTION



HINESVILLE
GEORGIA

MAYOR
Allen Brown

CITY MANAGER
Kenneth K. Howard

CITY CLERK
Sarah Lumpkin

CITY ATTORNEY
Linnie L. Darden, III



COUNCIL MEMBERS
Diana F. Reid
Jason Floyd
Vicky C. Nelson
Keith Jenkins
Karl A. Riles

Kimberly Ryon, Chief Financial Officer

April 23, 2021

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, 2020 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. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. 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, 2020.

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, 2020 are free of material misstatement. The independent audit involved

"Home for a Day or a Lifetime"

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, 2020 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, 2020. 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. According to the 2010 census the City has an estimated population just over 33,000, is 18.35 square miles and consists of 23,242.36 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 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 33rd 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

Police

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 2020, the Department issued 63,643 case numbers which are assigned to police activities including calls for service, walk and talks, direct patrols, assist citizens, etc. Officers responded to 18,903 calls for service including the following Part I crimes: 188 aggravated assault cases, 33 cases of auto theft, 2 homicides, 5 rape cases, 22 robbery cases, 121 cases of burglary, 5 cases of arson and 179 cases of entering auto. 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 149 juvenile offenders and 1,640 adult offenders during 2020. On the road, the patrol division and the traffic section worked 1,470 accidents, wrote 12,445 citations and gave 7,019 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.

Municipal Court

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 a full-time department in Liberty County and has mutual aid agreements with all 4 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 eight (8).

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, CPR/1st Aid classes, smoke detector program, stove-top fire stop program, and the Hazard House. 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 Hinesville to ensure that the children are educated in emergency procedures during a fire in their home and to recognize fire hazards in their home.

We house the hazardous materials trailer and truck for the Region 5 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 4 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 1,229 inspections from January 1st, 2020 through December 31st, 2020. The Hinesville Fire Departments Bureau of Prevention is made up of one Fire Marshal and two Deputy Fire Marshals. They 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 2020, the business license office issued 179 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 2020 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 eleven funds: General Fund, Special Revenue Funds (Multiple Grant Fund, Hotel/Motel Tax Fund), Capital Project Funds (SPLOST, TSPLOST and LMIG Funds), and Proprietary Funds (Water & Sewer Fund, Sanitation Fund, Transit Fund, Stormwater Utility Fund and Fort Stewart Grounds Maintenance 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 2020 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 2019. 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 2018. Due to COVID-19, the report for fiscal year ended October 31, 2019 is still being reviewed. 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 2020 and the preparation of this report.

Respectfully submitted,

A handwritten signature in black ink that reads "Kimberly T. Ryon". The signature is written in a cursive, flowing style.

Kimberly T. Ryon
Chief Financial Officer



HINESVILLE
GEORGIA

CITY OF HINESVILLE, GEORGIA

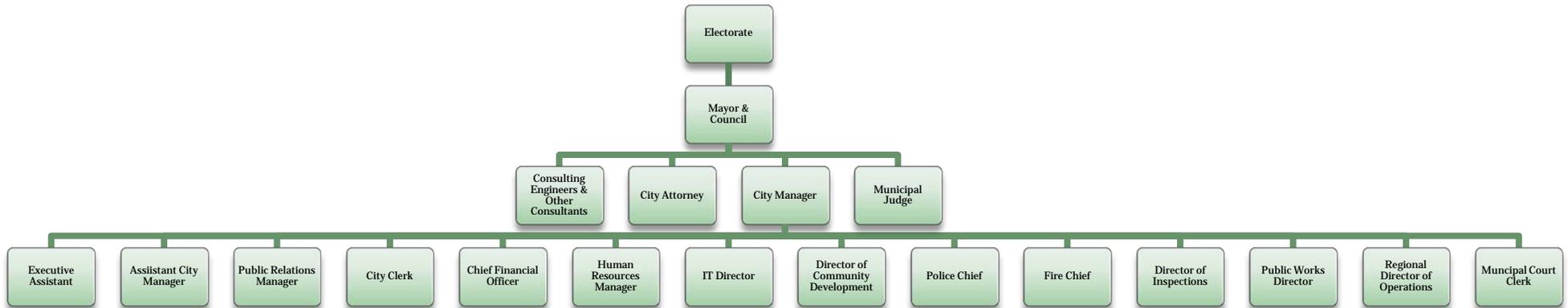
PRINCIPAL OFFICIALS

October 31, 2020

Mayor	Mr. Allen Brown
District 1	Ms. Diana F. Reid
District 2	Mr. Jason Floyd
District 3	Ms. Vicky Nelson
District 4	Mr. Keith Jenkins
District 5	Mr. Karl Riles
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 Robert Kitchings
Police Chief	Chief Bill Kirkendall
Public Utilities Manager	Mr. Ben Morrow
Project Manager	Mr. Gary Gilliard
Director of Inspections	Mr. George Smith

City of Hinesville

FY 2020 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, 2019

Christopher P. Morill

Executive Director/CEO



HINESVILLE
GEORGIA

FINANCIAL SECTION



HINESVILLE
GEORGIA



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, 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, 2020, 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 ("GAAP"); this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of October 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with GAAP.

Other Matters

Required Supplementary Information

GAAP requires that the Management's Discussion and Analysis ("MD&A") (on pages 4 through 17), the Schedule of Changes in the Net Pension Liability and Related Ratios and the Schedule of Employer's Contribution (on pages 69 through 72) 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 ("GASB") who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining 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 schedules of expenditures of Special Purpose Local Option Sales Tax ("SPLOST") proceeds are presented for the purpose of additional analysis as required by the Official Code of Georgia ("O.C.G.A.") §48-8-121, and are 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 statements and schedules, the schedules of SPLOST 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 statements and schedules, the schedules of SPLOST 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, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Savannah, Georgia
April 23, 2021



HINESVILLE
GEORGIA

MANAGEMENT'S DISCUSSION & ANALYSIS



HINESVILLE
GEORGIA

CITY OF HINESVILLE, GEORGIA

MANAGEMENT'S DISCUSSION AND 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, 2020. 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 \$101,093,132 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 \$72,670,195. 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 \$1,953,722 or 2.62% in fiscal year 2020.
 - 2) Net position of \$5,943,016 are restricted by constraints imposed from outside the city such as debt covenants, grantors, laws or regulations. This is a \$1,985,496 or 50.17% increase from fiscal year 2019's restricted net position. The increase can be attributed to Capital Projects Funds (specifically SPLOST).
 - 3) Unrestricted net position of \$22,479,921 represent the portion that is available to meet the City's ongoing obligations to citizens and creditors. This is a \$6,072,652 or 37.01% increase from fiscal year 2019 unrestricted net position of \$16,407,267.
- The government's total net position increased by \$6,104,428 or 6.43%.
 - Net position related to governmental activities increased by \$4,366,723.
 - Net position related to business-type activities increased by \$1,737,705.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$16,165,836 an increase of \$5,699,932 in comparison with the prior year. Fund balance in the General Fund increased \$3,709,782 which was a result of increased sales tax revenue and managing expenses. Fund balance in the SPLOST fund increased by \$1,782,720. Fund balance nonmajor governmental funds increased by \$207,430.
- Approximately sixty-two percent (62%) of the City's governmental funds total fund balance, or \$10,036,137, 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 \$10,036,137, or approximately fifty-three (53%) of total general fund expenditures for the fiscal year.

CITY OF HINESVILLE, GEORGIA
MANAGEMENT’S DISCUSSION AND ANALYSIS

- The City’s total debt decreased by \$170,103 in fiscal year 2020.
 - Debt related to governmental activities decreased by \$342,844 as a result of principal payment on Revenue Bonds Refunding Series 2015.
 - Debt related to business-type activities increased by a net of \$172,741. This detail of the change is:
 - principal payments on Water and Sewerage Revenue Bonds in the amount of \$807,133.
 - principal payments on 2009 GEFA debt for the Storm Water Utility Fund in the amount of \$75,371.
 - principal payments on 2012 GEFA debt in the Water and Sewer Fund in the amount of \$53,431.
 - principal payments on 2014 GEFA debt for upgrades to the Wastewater Treatment Plant in the Water and Sewer Fund in the amount of \$80,930.
 - principal payments on 2015 GEFA debt for the SCADA system in the Water and Sewer Fund in the amount of \$19,240.
 - principal payments on 2015 GEFA debt for the extension of reuse water lines in the Water and Sewer Fund in the amount of \$10,636.
 - principal payments on 2016 GEFA debt for the water tanks raising in the Water and Sewer Fund in the amount of \$64,538. In addition, GEFA granted the City additional principal forgiveness in the amount of \$125,200.
 - principal payments on 2016 GEFA debt for the Hinesville pump station and force main repairs in the Water and Sewer Fund in the amount of \$180,893.
 - principal payments on capital leases in the Storm water Utility Fund, in the amount \$124,116.
 - principal payments on capital leases in the Fort Stewart grounds maintenance Fund, in the amount \$33,590.
 - the drawdown of 2014 GEFA debt for upgrades to the Wastewater Treatment Plant in the Water and Sewer Fund, in the amount of \$240,154.
 - the drawdown of 2019 GEFA debt for Water Reclamation Facility upgrades in the Water and Sewer Fund, in the amount of \$97,665. Total funds drawn on this loan were \$123,627 with \$25,962 being principal forgiveness.
 - a new capital lease for various equipment in the Fort Stewart grounds maintenance Fund, in the amount of \$1,410,000.
- The City’s revenues for fiscal year 2020 total \$44,982,131. Of this amount, \$26,911,647, or sixty percent (60%), was generated from program revenues. The balance of \$18,070,484, or forty percent (40%), was generated from general revenues.
- The City’s program expenses for fiscal year 2020 total \$38,877,703. Of this amount, \$22,319,935, or fifty-seven percent (57%), was generated from governmental activities. The balance of \$16,557,768, or forty-three percent (43%), was generated from business-type activities.

CITY OF HINESVILLE, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 18 through 21) 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 22 through 37) 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).

CITY OF HINESVILLE, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 18 through 21 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 22 of this report.

CITY OF HINESVILLE, GEORGIA MANAGEMENT'S DISCUSSION AND ANALYSIS

Proprietary Funds – City of Hinesville has five 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, Storm Water Utility Fund and Fort Stewart Grounds Maintenance Fund.

The basic proprietary fund financial statements can be found on pages 28 through 37 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 38 through 68 of this report.

CITY OF HINESVILLE, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-Wide Financial Analysis

In order to allow for useful comparative analysis, government-wide financial information is provided for fiscal years ended October 31, 2020 and 2019.

City of Hinesville's Net Position
October 31, 2020 and 2019

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Assets:						
Assets						
Current and other assets	\$ 19,286,193	\$ 12,837,391	\$ 16,490,802	\$ 14,119,913	\$ 35,776,995	\$ 26,957,304
Capital assets, net	44,384,266	45,968,919	72,203,739	72,742,911	116,588,005	118,711,830
Total Assets	<u>63,670,459</u>	<u>58,806,310</u>	<u>88,694,541</u>	<u>86,862,824</u>	<u>152,365,000</u>	<u>145,669,134</u>
Deferred outflows of resources	<u>2,738,976</u>	<u>1,597,936</u>	<u>84,709</u>	<u>49,419</u>	<u>2,823,685</u>	<u>1,647,355</u>
Liabilities:						
Liabilities						
Long-term liabilities	4,741,125	5,074,566	39,948,171	39,772,755	44,689,296	44,847,321
Other liabilities	1,699,085	1,009,262	1,662,306	1,748,071	3,361,391	2,757,333
Net pension liability	5,042,749	4,288,976	155,960	132,648	5,198,709	4,421,624
Total Liabilities	<u>11,482,959</u>	<u>10,372,804</u>	<u>41,766,437</u>	<u>41,653,474</u>	<u>53,249,396</u>	<u>52,026,278</u>
Deferred inflows of resources	<u>820,773</u>	<u>292,462</u>	<u>25,384</u>	<u>9,045</u>	<u>846,157</u>	<u>301,507</u>
Net position:						
Net investment in capital assets	40,385,066	41,626,875	32,285,129	32,997,042	72,670,195	74,623,917
Restricted	5,040,193	3,056,647	902,823	900,873	5,943,016	3,957,520
Unrestricted	8,680,444	5,055,458	13,799,477	11,351,809	22,479,921	16,407,267
Total net position	<u>\$ 54,105,703</u>	<u>\$ 49,738,980</u>	<u>\$ 46,987,429</u>	<u>\$ 45,249,724</u>	<u>\$ 101,093,132</u>	<u>\$ 94,988,704</u>

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 \$101,093,132 and \$94,988,704 at October 31, 2020 and 2019, respectively.

The largest portion of the City's net position, \$72,670,195 (72%), 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.

CITY OF HINESVILLE, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS

An additional portion of the City of Hinesville's net position, \$5,943,016 or six percent (6%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of the City's net position, \$22,479,921 or twenty-two percent 22%, 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 2020 and 2019:

City of Hinesville's Changes in Net Position

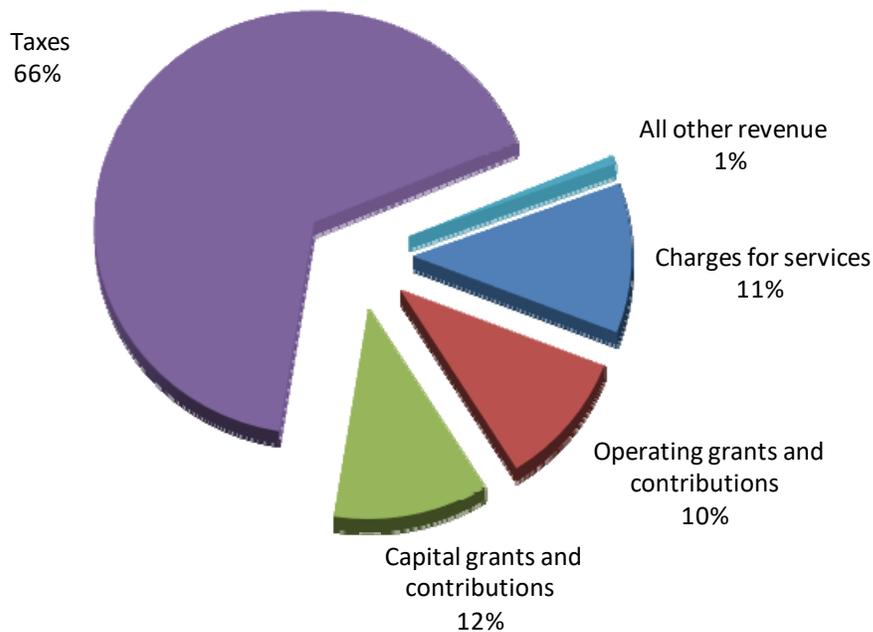
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 3,058,958	\$ 3,357,848	\$ 17,044,130	\$ 16,590,101	\$ 20,103,088	\$ 19,947,949
Operating grants and contributions	2,723,001	796,603	867,631	1,459,868	3,590,632	2,256,471
Capital grants and contributions	3,066,765	2,678,902	151,162	259,527	3,217,927	2,938,429
General revenues:						
Taxes	17,706,894	16,773,291	-	-	17,706,894	16,773,291
Federal/State Grants and other contributions not restricted	-	-	-	-	-	-
Other revenue	119,040	90,003	69,606	67,590	188,646	157,593
Unrestricted Investment earnings	56,727	81,405	118,217	204,101	174,944	285,506
Total revenues	<u>26,731,385</u>	<u>23,778,052</u>	<u>18,250,746</u>	<u>18,581,187</u>	<u>44,982,131</u>	<u>42,359,239</u>
Expenses:						
General government	3,181,179	2,921,312	-	-	3,181,179	2,921,312
Judiciary	293,311	299,009	-	-	293,311	299,009
Public safety	11,385,046	10,734,917	-	-	11,385,046	10,734,917
Public works	3,459,915	4,014,287	-	-	3,459,915	4,014,287
Housing and development	1,941,082	1,917,074	-	-	1,941,082	1,917,074
Health and welfare	1,053,405	953,307	-	-	1,053,405	953,307
Culture and recreation	892,493	892,926	-	-	892,493	892,926
Interest and fiscal charges	113,504	122,836	-	-	113,504	122,836
Water and sewer	-	-	10,298,591	9,592,558	10,298,591	9,592,558
Sanitation	-	-	3,252,807	3,069,620	3,252,807	3,069,620
Stormwater utility	-	-	1,399,288	1,461,797	1,399,288	1,461,797
Transit	-	-	921,360	904,230	921,360	904,230
Fort Stewart Grounds Maintenance	-	-	685,722	-	685,722	-
Total expenses	<u>22,319,935</u>	<u>21,855,668</u>	<u>16,557,768</u>	<u>15,028,205</u>	<u>38,877,703</u>	<u>36,883,873</u>
Change in net position before transfers	<u>4,411,450</u>	<u>1,922,384</u>	<u>1,692,978</u>	<u>3,552,982</u>	<u>6,104,428</u>	<u>5,475,366</u>
Transfers	<u>(44,727)</u>	<u>(354,813)</u>	<u>44,727</u>	<u>354,813</u>	<u>-</u>	<u>-</u>
Change in net position	4,366,723	1,567,571	1,737,705	3,907,795	6,104,428	5,475,366
Net position, beginning of year	<u>49,738,980</u>	<u>48,171,409</u>	<u>45,249,724</u>	<u>41,341,929</u>	<u>94,988,704</u>	<u>89,513,338</u>
Net position, end of year	<u>\$ 54,105,703</u>	<u>\$ 49,738,980</u>	<u>\$ 46,987,429</u>	<u>\$ 45,249,724</u>	<u>\$ 101,093,132</u>	<u>\$ 94,988,704</u>

CITY OF HINESVILLE, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental activities. Governmental activities increased the City's net position by \$4,366,723 and \$1,567,571 as of October 31, 2020 and 2019, respectively. As illustrated in the chart below, taxes constitute the largest single revenue line item at \$17,706,894 or sixty-six percent (66%) of total revenue in 2020 and \$16,773,291 or seventy-one percent (71%) of total revenue in 2019. Charges for services represent eleven percent (11%) and fourteen percent (14%) of total revenue in 2020 and 2019 at \$3,058,958 and \$3,357,848, respectively. Capital grants and contributions represent eleven percent (11%) of total revenue at \$3,066,765 and \$2,678,902 in 2020 and 2019, respectively.

Revenues by Source - Governmental Activities

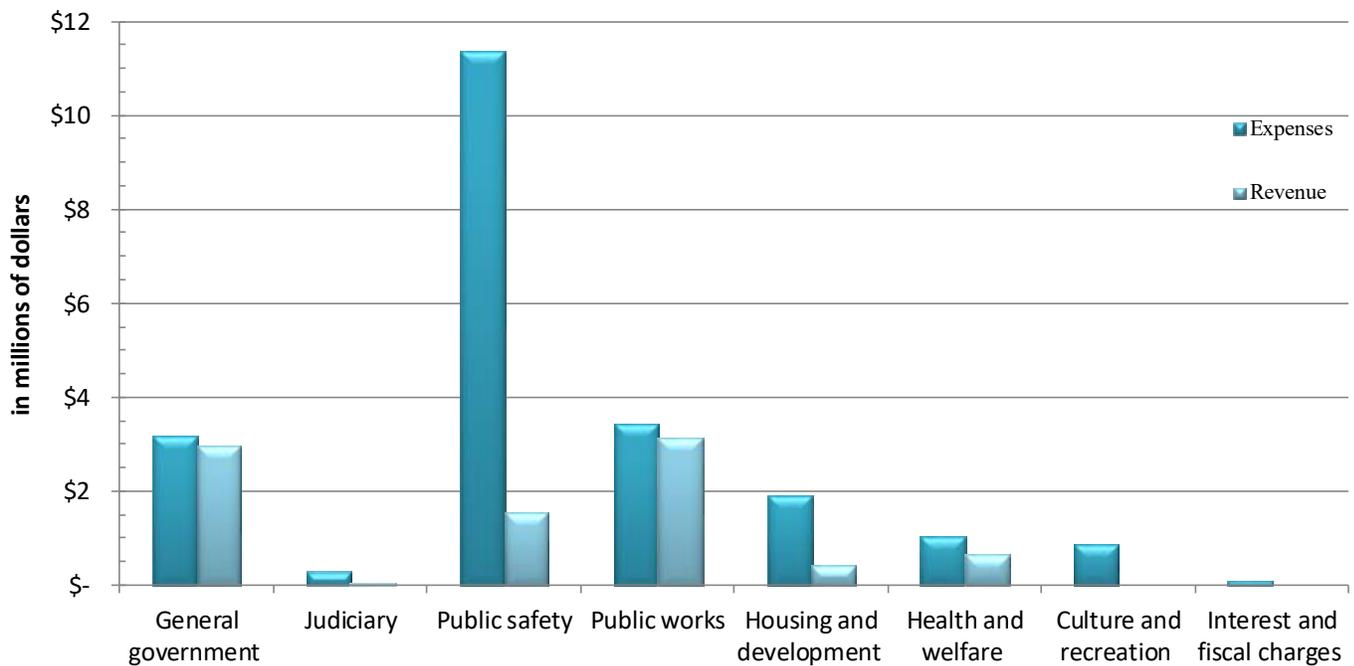


CITY OF HINESVILLE, GEORGIA
MANAGEMENT’S DISCUSSION AND ANALYSIS

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.

**Expenses and Program Revenues -
 Governmental Activities**



Business-type activities: Business-type activities increased the City of Hinesville’s net position by \$1,737,705 and \$3,907,795 as of October 31, 2020 and 2019, respectively. These increases can be largely attributed to an increase in revenue and diligent managing of expenses. Revenue increased primarily as a result of continued growth in the City.

As expected in business-type activities, charges for services constitute a major portion of revenue at \$17,044,130 or ninety-three (93%) and operating grants and contributions are the second largest revenue source constituting \$867,631 or five percent (5%) of total revenue in 2020. In 2019, charges for services constitute a major portion of revenue at \$16,590,101 or eighty-nine (89%) and operating grants and contributions are the second largest revenue source constituting \$1,459,868 or eight percent (8%) of total revenue.

CITY OF HINESVILLE, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 \$10,036,137, while fund balance totaled \$10,730,739. 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 fifty-three percent (53%) of total General Fund expenditures, while total fund balance represents fifty-seven percent (57%) of that same amount.

At October 31, 2020, the governmental funds of City of Hinesville reported a combined fund balance of \$16,165,836. This is an increase of \$5,699,932 from October 31, 2019. Fund balance in the General Fund increased \$3,709,782 which can be attributed to managing expenditures in relation to revenues and as a result of COVID-19 Relief funds. Fund balance in the SPLOST fund increased by \$1,782,720. This is a result of receiving funds from the sales tax but expenditures for the SPLOST projects have not been made. Fund balance in nonmajor governmental funds increased by \$207,430.

CITY OF HINESVILLE, GEORGIA
MANAGEMENT’S DISCUSSION AND ANALYSIS

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, 2020, total actual revenues were more than total final budgeted revenues in the General Fund by \$2,094,700. The table below shows the variance by revenue type:

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

	FY 2020 Budget	FY 2020 Actual	Variance - Positive/ (Negative)
Property taxes	\$ 7.59	\$ 7.67	\$ 0.08
Sales taxes	4.32	4.94	0.62
Franchise taxes	1.65	1.73	0.08
Insurance premium taxes	2.53	2.68	0.15
Other taxes	0.46	0.48	0.02
Licenses and permits	0.72	0.59	(0.13)
Charges for services	1.35	1.30	(0.05)
Intergovernmental	0.76	1.86	1.10
Fines, forfeitures, and fees	0.96	1.10	0.14
Interest revenues	0.05	0.05	-
Other revenues	0.11	0.20	0.09
Total revenues	<u>\$ 20.50</u>	<u>\$ 22.60</u>	<u>\$ 2.10</u>

In fiscal year 2020, the budgeted revenue increase can largely be attributed to intergovernmental revenues (\$1,103,422), sales tax (\$611,260) and insurance premium taxes (\$143,853). CARES Act funding and other COVID-19 relief grants were not anticipated in fiscal year 2020; therefore not budgeted. Though we budgeted some growth in sales tax revenue, we did not budget significant growth because of the growth we saw in fiscal year 2019. However, we did continue to see growth in 2020. We also received a large sales tax audit adjustment from the Department of Revenue in August 2020. We will continue to monitor our revenue trends but will likely remain conservative in our initial projections.

CITY OF HINESVILLE, GEORGIA
MANAGEMENT’S DISCUSSION AND ANALYSIS

Total actual expenditures were less than total budgeted expenditures in the General Fund by \$1,302,433 at October 31, 2020.

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

	FY 2020 Budget	FY 2020 Actual	Variance - Positive/ (Negative)
General government	\$ 3.05	\$ 2.92	\$ 0.13
Judicial	0.31	0.29	0.02
Public safety	11.59	10.85	0.74
Public works	1.76	1.79	(0.03)
Health and welfare	0.83	0.71	0.12
Culture and recreation	0.50	0.50	-
Housing and development	1.47	1.20	0.27
Intergovernmental	0.67	0.62	0.05
Total expenditures	<u>\$ 20.18</u>	<u>\$ 18.88</u>	<u>\$ 1.30</u>

In fiscal year 2020, there were no significant variances in budget to actual expenditures. The variances were all a result of managing expenditures in the departments. With the unknown of the pandemic, we made a decision early to hold very tight to expenditures.

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 \$14,844,043 in the water and sewer fund, \$586,415 in the sanitation fund, (\$1,559,117) in the storm water utility fund and (\$71,864) in non-major proprietary funds. Other factors concerning the finances of these funds have been addressed in the discussion of the City of Hinesville’s business-type activities.

CITY OF HINESVILLE, GEORGIA
MANAGEMENT’S DISCUSSION AND ANALYSIS

Capital Asset and Debt Administration

Capital assets. The City of Hinesville’s investment in capital assets for its governmental and business-type activities total \$116,588,005 and \$118,711,830 (net of accumulated depreciation) as of October 31, 2020 and 2019, 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	
	2020	2019	2020	2019	2020	2019
Land	\$ 1.91	\$ 1.91	\$ 0.02	\$ 0.02	\$ 1.93	\$ 1.93
Construction in progress	0.38	0.36	0.43	22.77	0.81	23.13
Buildings & improvements	11.45	11.77	-	-	11.45	11.77
Utility plant in service	-	-	63.39	44.04	63.39	44.04
Vehicles	0.70	0.86	-	-	0.70	0.86
Heavy equipment	0.20	0.21	-	-	0.20	0.21
Equipment	0.17	0.18	3.19	1.61	3.36	1.79
Office equipment	0.04	0.05	-	-	0.04	0.05
Infrastructure	29.53	30.63	5.17	4.30	34.70	34.93
Total	\$ 44.38	\$ 45.97	\$ 72.20	\$ 72.74	\$ 116.58	\$ 118.71

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, 2020, the City of Hinesville had total debt outstanding of \$43,917,810. Of this, \$39,797,568 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.

CITY OF HINESVILLE, GEORGIA

MANAGEMENT’S DISCUSSION AND ANALYSIS

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, 2020. 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.

We cannot talk about fiscal year 2020 without discussing COVID-19. Thus far, we have been fortunate and have not had a significant negative financial impact to our local government. We received several grants to assist the City to respond to the pandemic. Some of the grants we received were funds to help our citizens and small businesses during these tough times. In addition to the grant opportunities, the City also assisted our water customers by suspending late fees and deferring termination of water service for four months. In spite of the pandemic environment, our sales tax revenue (the City’s second largest revenue source) did not fall. We recognize that we are fortunate in this and continue to be diligent in monitoring both our revenues and expenditures into fiscal year 2021.

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, 2020

	Primary Government			Component Unit	Component Unit
	Governmental Activities	Business Type Activities	Total	Downtown Development Authority	Hinesville Development Authority
Assets					
Cash and cash equivalents	\$ 6,961,774	\$ 8,732,968	\$ 15,694,742	\$ 319,265	\$ 73,964
Receivables, net	1,630,560	2,729,564	4,360,124	-	-
Notes receivable, net	227,560	-	227,560	-	-
Internal balances	4,556,494	(4,556,494)	-	-	-
Due from component units	141,906	-	141,906	-	-
Due from other governments	1,525,286	868,282	2,393,568	-	-
Prepaid items	181,297	62,519	243,816	-	-
Restricted assets:					
Cash and cash equivalents	4,061,316	8,653,963	12,715,279	75,000	-
Investments	-	-	-	-	-
Assets held for resale	-	-	-	941,829	-
Capital assets:					
Nondepreciable	2,289,848	452,853	2,742,701	10,000	269,349
Depreciable, net of accumulated depreciation	42,094,418	71,750,886	113,845,304	22,345	-
Total assets	63,670,459	88,694,541	152,365,000	1,368,439	343,313
Deferred outflows of resources - Pension	2,738,976	84,709	2,823,685	-	-
Liabilities					
Accounts payable	1,196,655	635,092	1,831,747	33,176	4
Retainage payable	-	-	-	-	-
Accrued payroll	453,846	13,193	467,039	-	-
Accrued interest payable	-	5,335	5,335	-	-
Due to primary government	-	-	-	115,446	26,460
Payable from restricted assets:					
Customer deposits	-	1,001,946	1,001,946	200	-
Accrued interest	27,419	6,740	34,159	-	-
Other liabilities	21,165	-	21,165	-	-
Long-term liabilities:					
Due within one year					
Bonds, notes and loans	352,356	2,154,584	2,506,940	-	-
Capital lease payable	-	299,848	299,848	-	-
Compensated absences	111,289	4,434	115,723	-	-
Due in more than one year					
Bonds, notes and loans	3,646,844	36,100,258	39,747,102	-	248,313
Capital lease payable	-	1,363,920	1,363,920	-	-
Compensated absences	630,634	25,127	655,761	-	-
Net pension liability	5,042,751	155,960	5,198,711	-	-
Total liabilities	11,482,959	41,766,437	53,249,396	148,822	274,777
Deferred inflows of resources - Pension	820,773	25,384	846,157	-	-

CITY OF HINESVILLE, GEORGIA
STATEMENT OF NET POSITION
OCTOBER 31, 2020

	<u>Primary Government</u>			<u>Component Unit</u>	<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>	<u>Downtown Development Authority</u>	<u>Hinesville Development Authority</u>
Net Position					
Net investment in capital assets	\$ 40,385,066	\$ 32,285,129	\$ 72,670,195	\$ -	\$ -
Restricted for:					
Revenue bond retirement	-	902,823	902,823	-	-
Capital projects	4,985,587	-	4,985,587	-	-
Public safety	54,606	-	54,606	-	-
Unrestricted	<u>8,680,444</u>	<u>13,799,477</u>	<u>22,479,921</u>	<u>1,219,617</u>	<u>68,536</u>
Total net position	<u>\$ 54,105,703</u>	<u>\$ 46,987,429</u>	<u>\$ 101,093,132</u>	<u>\$ 1,219,617</u>	<u>\$ 68,536</u>

CITY OF HINESVILLE, GEORGIA
STATEMENT OF ACTIVITIES
YEAR ENDED OCTOBER 31, 2020

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 3,181,179	\$ 1,244,120	\$ 1,741,765	\$ -
Judiciary	293,311	63,913	-	-
Public safety	11,385,046	1,419,438	100,300	50,771
Public works	3,459,915	20,912	101,991	3,015,994
Housing and development	1,941,082	310,575	115,891	-
Health and welfare	1,053,405	-	663,054	-
Culture and recreation	892,493	-	-	-
Interest and fiscal charges	113,504	-	-	-
Total governmental activities	22,319,935	3,058,958	2,723,001	3,066,765
Business-type activities:				
Water and sewer	10,298,591	11,586,222	-	151,162
Sanitation	3,252,807	3,271,703	-	-
Stormwater utility	1,399,288	1,586,629	-	-
Transit	921,360	19,862	867,631	-
Fort Stewart grounds maintenance	685,722	579,714	-	-
Total business-type activities	16,557,768	17,044,130	867,631	151,162
Total primary government	\$ 38,877,703	\$ 20,103,088	\$ 3,590,632	\$ 3,217,927
Component units:				
Downtown Development Authority	\$ 585,119	\$ 20,313	\$ 547,081	\$ -
Hinesville Development Authority	86,389	-	-	-
Total component units	\$ 671,508	\$ 20,313	\$ 547,081	\$ -

General revenues:

Property taxes
Sales taxes
Franchise taxes
Insurance premium taxes
Alcoholic beverage taxes
Hotel/motel taxes
Occupational taxes
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				
Governmental Activities	Business-type Activities	Total	Component Unit Downtown Development Authority	Component Unit Hinesville Development Authority
\$ (195,294)	\$ -	\$ (195,294)		
(229,398)	-	(229,398)		
(9,814,537)	-	(9,814,537)		
(321,018)	-	(321,018)		
(1,514,616)	-	(1,514,616)		
(390,351)	-	(390,351)		
(892,493)	-	(892,493)		
(113,504)	-	(113,504)		
<u>(13,471,211)</u>	<u>-</u>	<u>(13,471,211)</u>		
-	1,438,793	1,438,793		
-	18,896	18,896		
-	187,341	187,341		
-	(33,867)	(33,867)		
-	(106,008)	(106,008)		
<u>-</u>	<u>1,505,155</u>	<u>1,505,155</u>		
<u>(13,471,211)</u>	<u>1,505,155</u>	<u>(11,966,056)</u>		
			(17,725)	
			<u>\$ (17,725)</u>	<u>(86,389)</u>
				<u>\$ (86,389)</u>
7,692,376	-	7,692,376	-	-
4,936,583	-	4,936,583	-	-
1,769,263	-	1,769,263	-	-
2,678,147	-	2,678,147	-	-
451,928	-	451,928	-	-
144,575	-	144,575	-	-
34,022	-	34,022	-	-
119,040	69,606	188,646	14,400	58,605
56,727	118,217	174,944	-	14
(44,727)	44,727	-	-	-
<u>17,837,934</u>	<u>232,550</u>	<u>18,070,484</u>	<u>14,400</u>	<u>58,619</u>
4,366,723	1,737,705	6,104,428	(3,325)	(27,770)
<u>49,738,980</u>	<u>45,249,724</u>	<u>94,988,704</u>	<u>1,222,942</u>	<u>96,306</u>
<u>\$ 54,105,703</u>	<u>\$ 46,987,429</u>	<u>\$ 101,093,132</u>	<u>\$ 1,219,617</u>	<u>\$ 68,536</u>



HINESVILLE
GEORGIA

FUND FINANCIAL STATEMENTS

CITY OF HINESVILLE, GEORGIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
OCTOBER 31, 2020**

	<u>General</u>	<u>SPLOST Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Cash and cash equivalents	\$ 6,549,737	\$ -	\$ 412,037	\$ 6,961,774
Receivables, net	1,605,478	-	25,082	1,630,560
Notes receivable, net	-	-	227,560	227,560
Due from other governments	595,741	381,910	547,635	1,525,286
Due from other funds	4,958,391	358,093	361,602	5,678,086
Due from component unit	141,906	-	-	141,906
Prepaid items	181,297	-	-	181,297
Restricted assets:				
Cash and cash equivalents	21,270	4,040,046	-	4,061,316
Total assets	<u>\$ 14,053,820</u>	<u>\$ 4,780,049</u>	<u>\$ 1,573,916</u>	<u>\$ 20,407,785</u>
Liabilities				
Accounts payable	\$ 679,684	\$ 20,859	\$ 496,112	\$ 1,196,655
Accrued payroll & payroll taxes	453,846	-	-	453,846
Due to other funds	719,695	-	401,897	1,121,592
Unearned revenue	36,125	-	-	36,125
Other liabilities	21,165	-	-	21,165
Total liabilities	<u>1,910,515</u>	<u>20,859</u>	<u>898,009</u>	<u>2,829,383</u>
Deferred inflow of resources				
Unavailable revenue - property and franchise taxes	<u>1,412,566</u>	<u>-</u>	<u>-</u>	<u>1,412,566</u>
Fund balances				
Nonspendable	181,297	-	-	181,297
Restricted	54,606	4,759,190	226,397	5,040,193
Assigned	458,699	-	449,510	908,209
Unassigned	<u>10,036,137</u>	<u>-</u>	<u>-</u>	<u>10,036,137</u>
Total fund balances	<u>10,730,739</u>	<u>4,759,190</u>	<u>675,907</u>	<u>16,165,836</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 14,053,820</u>	<u>\$ 4,780,049</u>	<u>\$ 1,573,916</u>	<u>\$ 20,407,785</u>

CITY OF HINESVILLE, GEORGIA

**RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
OCTOBER 31, 2020**

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		\$ 16,165,836
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Nondepreciable capital assets	\$ 2,289,848	
Depreciable capital assets	80,043,808	
Accumulated depreciation	<u>(37,949,390)</u>	
Total capital assets net of depreciation		44,384,266
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable or unearned revenue in the funds.		
Property taxes	\$ 163,375	
Franchise taxes	1,249,191	
Business license fees	<u>36,125</u>	
Total unavailable revenue		1,448,691
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 experience differences, assumption changes and contributions made subsequent to the measurement date.		
		2,738,976
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	\$ (3,999,200)	
Compensated absences	(741,923)	
Accrued interest	(27,419)	
Net pension liability	<u>(5,042,751)</u>	
Total long-term liabilities		(9,811,293)
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 and experience differences.		
		(820,773)
Net position of governmental activities		<u><u>\$ 54,105,703</u></u>

CITY OF HINESVILLE, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2020**

	<u>General</u>	<u>SPLOST Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues				
Property taxes	\$ 7,671,036	\$ -	\$ -	\$ 7,671,036
Sales taxes	4,936,583	-	-	4,936,583
Franchise taxes	1,726,225	-	-	1,726,225
Insurance premium taxes	2,678,147	-	-	2,678,147
Other taxes	485,950	-	144,575	630,525
Licenses and permits	588,310	-	-	588,310
Charges for services	1,302,794	-	-	1,302,794
Intergovernmental	1,858,565	2,432,548	1,466,846	5,757,959
Fines, forfeitures, and fees	1,100,755	-	-	1,100,755
Interest revenues	48,761	29,382	7,965	86,108
Other revenues	196,249	-	-	196,249
Total revenues	<u>22,593,375</u>	<u>2,461,930</u>	<u>1,619,386</u>	<u>26,674,691</u>
Expenditures				
Current:				
General government	2,919,721	-	-	2,919,721
Judicial	287,789	-	-	287,789
Public safety	10,846,588	130,403	75,935	11,052,926
Public works	1,793,811	-	72,608	1,866,419
Housing and development	1,202,997	-	407,105	1,610,102
Health and welfare	715,800	-	332,731	1,048,531
Culture and recreation	483,520	-	12,101	495,621
Capital outlay	-	90,108	416,272	506,380
Debt service:				
Principal	-	342,844	-	342,844
Interest and fiscal charges	-	115,855	-	115,855
Intergovernmental	626,015	-	57,830	683,845
Total expenditures	<u>18,876,241</u>	<u>679,210</u>	<u>1,374,582</u>	<u>20,930,033</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,717,134</u>	<u>1,782,720</u>	<u>244,804</u>	<u>5,744,658</u>
Other financing sources (uses)				
Transfers In	133,751	-	96,377	230,128
Transfers Out	(141,103)	-	(133,751)	(274,854)
Total other financing sources (uses)	<u>(7,352)</u>	<u>-</u>	<u>(37,374)</u>	<u>(44,726)</u>
Net change in fund balances	3,709,782	1,782,720	207,430	5,699,932
Fund balance - November 1	<u>7,020,957</u>	<u>2,976,470</u>	<u>468,477</u>	<u>10,465,904</u>
Fund balance - October 31	<u>\$ 10,730,739</u>	<u>\$ 4,759,190</u>	<u>\$ 675,907</u>	<u>\$ 16,165,836</u>

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, 2020**

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

Net change in fund balances - total governmental funds	\$ 5,699,932
<p>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.</p>	
Capital assets reported as capital outlay in governmental funds	257,303
Depreciation expense reported in the statement of activities	<u>(1,820,727)</u>
This is the amount by which depreciation exceeded capital outlay in the current period.	(1,563,424)
Loss on disposition of capital asset	(21,229)
<p>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.</p>	
Unearned revenue	56,697
<p>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.</p>	
Principal payments on debt	342,844
Change in accrued interest payable	<u>2,349</u>
	345,193
<p>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.</p>	
Change in compensated absences	(9,401)
Change in net pension liability and related deferred inflows of resources and deferred outflows of resources	(141,045)
Change in net position of governmental activities	<u><u>\$ 4,366,723</u></u>

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, 2020**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 7,585,859	\$ 7,585,859	\$ 7,671,036	\$ 85,177
Sales taxes	4,321,369	4,325,323	4,936,583	611,260
Franchise taxes	1,646,210	1,646,210	1,726,225	80,015
Insurance premium taxes	2,534,294	2,534,294	2,678,147	143,853
Other taxes	461,030	461,030	485,950	24,920
Licenses and permits	722,335	722,335	588,310	(134,025)
Charges for services	1,347,471	1,347,471	1,302,794	(44,677)
Intergovernmental	150,704	755,143	1,858,565	1,103,422
Fines, forfeitures, and fees	955,100	969,860	1,100,755	130,895
Interest revenues	45,417	45,417	48,761	3,344
Other revenues	105,733	105,733	196,249	90,516
Total revenues	19,875,522	20,498,675	22,593,375	2,094,700
Expenditures				
Current:				
General government				
Administration	2,862,049	3,050,749	2,919,721	131,028
Total general government	2,862,049	3,050,749	2,919,721	131,028
Judicial				
Municipal Court	311,601	311,601	287,789	23,812
Total judicial	311,601	311,601	287,789	23,812
Public safety				
Police	7,462,365	7,476,125	7,073,018	403,107
Fire	3,845,016	4,110,755	3,773,570	337,185
Total public safety	11,307,381	11,586,880	10,846,588	740,292
Public works				
Public works administration	195,601	185,601	180,724	4,877
Highways and streets	1,170,906	1,170,906	1,221,206	(50,300)
Vehicle maintenance	402,171	402,171	391,881	10,290
Total public works	1,768,678	1,758,678	1,793,811	(35,133)
Health and welfare				
Community development	656,536	832,536	715,800	116,736
Total health and welfare	656,536	832,536	715,800	116,736
Culture and recreation				
Team Hinesville	56,520	56,520	55,540	980
Parks and grounds	429,956	439,956	427,980	11,976
Total culture and recreation	486,476	496,476	483,520	12,956

(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, 2020**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Housing and development				
Inspections	976,610	976,610	812,081	164,529
Downtown Development Authority	375,245	375,245	355,916	19,329
Economic development	115,785	115,785	35,000	80,785
Total housing and development	1,467,640	1,467,640	1,202,997	264,643
Intergovernmental				
Live Oak Public Libraries	350,544	350,544	350,544	-
Liberty Consolidated Planning Commission	308,006	308,006	246,548	61,458
Liberty County Board of Commissioners	15,564	15,564	28,923	(13,359)
Total Intergovernmental	674,114	674,114	626,015	48,099
Total expenditures	19,534,475	20,178,674	18,876,241	1,302,433
Excess (deficiency) of revenues over (under) expenditures	341,047	320,001	3,717,134	3,397,133
Other financing sources (uses)				
Transfers In	187,315	187,315	133,751	(53,564)
Transfers Out	(408,402)	(412,356)	(141,103)	271,253
Total other financing sources (uses)	(221,087)	(225,041)	(7,352)	217,689
Net change in fund balances	119,960	94,960	3,709,782	3,614,822
Fund balance - November 1	7,020,957	7,020,957	7,020,957	-
Fund balance - October 31	<u>\$ 7,140,917</u>	<u>\$ 7,115,917</u>	<u>\$ 10,730,739</u>	<u>\$ 3,614,822</u>

CITY OF HINESVILLE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
OCTOBER 31, 2020

	<u>Water and Sewer Fund</u>	<u>Sanitation Fund</u>	<u>Stormwater Utility Fund</u>
Assets			
Current assets			
Cash and cash equivalents	\$ 8,668,378	\$ -	\$ -
Receivables, net	2,536,326	-	-
Due from other governments	-	-	-
Due from other funds	-	690,810	-
Prepaid items	62,519	-	-
Restricted assets:			
Cash and cash equivalents	8,107,572	-	546,391
Total current assets	<u>19,374,795</u>	<u>690,810</u>	<u>546,391</u>
Noncurrent assets			
Capital assets, nondepreciable	429,416	-	11,737
Capital assets, net of accumulated depreciation	63,904,898	432,016	5,016,995
Total noncurrent assets	<u>64,334,314</u>	<u>432,016</u>	<u>5,028,732</u>
Total assets	<u>83,709,109</u>	<u>1,122,826</u>	<u>5,575,123</u>
Deferred outflows of resources	<u>84,709</u>	<u>-</u>	<u>-</u>
Liabilities			
Current liabilities			
Accounts payable	360,247	104,395	65,561
Accrued expenses	13,193	-	-
Accrued interest payable	-	-	1,894
Due to other funds	2,119,607	-	2,038,053
Payable from restricted assets:			
Customer deposits	1,001,946	-	-
Accrued interest	6,740	-	-
Current portion of notes payable	1,237,019	-	96,355
Current portion of revenue bonds payable	821,210	-	-
Current portion of capital lease payable	-	-	84,009
Current portion of compensated absences	4,434	-	-
Total current liabilities	<u>5,564,396</u>	<u>104,395</u>	<u>2,285,872</u>
Noncurrent liabilities			
Notes payable, long-term portion	31,068,459	-	1,732,766
Bonds payable, long term portion	3,299,033	-	-
Capital lease payable, long term portion	-	-	203,349
Compensated absences, long term portion	25,127	-	-
Net pension liability	155,960	-	-
Total noncurrent liabilities	<u>34,548,579</u>	<u>-</u>	<u>1,936,115</u>
Total liabilities	<u>40,112,975</u>	<u>104,395</u>	<u>4,221,987</u>
Deferred inflows of resources	<u>25,384</u>	<u>-</u>	<u>-</u>
Net Position			
Net investment in capital assets	27,908,593	432,016	2,912,253
Restricted for:			
Revenue bond retirement	902,823	-	-
Unrestricted	14,844,043	586,415	(1,559,117)
Total net position	<u>\$ 43,655,459</u>	<u>\$ 1,018,431</u>	<u>\$ 1,353,136</u>

Nonmajor Business Type Activities	Total Business Type Activities
\$ 64,590	\$ 8,732,968
193,238	2,729,564
868,282	868,282
-	690,810
-	62,519
-	8,653,963
<u>1,126,110</u>	<u>21,738,106</u>
11,700	452,853
<u>2,396,977</u>	<u>71,750,886</u>
<u>2,408,677</u>	<u>72,203,739</u>
<u>3,534,787</u>	<u>93,941,845</u>
-	84,709
104,889	635,092
-	13,193
3,441	5,335
1,089,644	5,247,304
-	1,001,946
-	6,740
-	1,333,374
-	821,210
215,839	299,848
-	4,434
<u>1,413,813</u>	<u>9,368,476</u>
-	32,801,225
-	3,299,033
1,160,571	1,363,920
-	25,127
-	155,960
<u>1,160,571</u>	<u>37,645,265</u>
<u>2,574,384</u>	<u>47,013,741</u>
-	25,384
1,032,267	32,285,129
-	902,823
<u>(71,864)</u>	<u>13,799,477</u>
<u>\$ 960,403</u>	<u>\$ 46,987,429</u>

CITY OF HINESVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2020

	Water and Sewer Fund	Sanitation Fund	Stormwater Utility Fund
Operating revenues			
Water fees	\$ 4,061,155	\$ -	\$ -
Sewer fees	3,592,602	-	-
Fort Stewart sewer fees	1,851,165	-	-
Water and sewer impact fees	1,509,315	-	-
Sanitation fees	-	3,271,703	-
Stormwater utility fees	-	-	1,586,632
Transit fees	-	-	-
Grounds maintenance fees	-	-	-
Intergovernmental	-	-	-
Other revenues	641,589	-	-
Total operating revenues	<u>11,655,826</u>	<u>3,271,703</u>	<u>1,586,632</u>
Operating expenses			
Salaries	340,768	-	-
Employee benefits	81,797	-	-
Vehicle operating expenses	84,319	316,475	140,135
Office supplies and postage	90,661	344	344
General insurance	119,195	23,303	23,303
Professional fees	133,739	-	15,359
Computer services	67,473	-	-
Equipment rental and repairs	10,891	545	952
Schools and training	913	-	-
Operating supplies	463,744	33,234	6,382
Utilities	987,794	14,468	13,964
Operations contracted services	2,847,798	1,705,423	747,827
Repairs and materials	1,768,597	1,987	16,119
Depreciation	2,396,968	154,237	279,152
Administrative fees	508,744	229,019	111,358
Drinking water program	12,200	-	-
Miscellaneous	18,770	-	-
Disposal	-	682,770	-
Grinding Services	-	91,001	-
Marketing	-	-	-
Total operating expenses	<u>9,934,371</u>	<u>3,252,806</u>	<u>1,354,895</u>
Operating income (loss)	<u>1,721,455</u>	<u>18,897</u>	<u>231,737</u>

(Continued)

Nonmajor Business Type Activities	Total Business Type Activities
\$ -	\$ 4,061,155
-	3,592,602
-	1,851,165
-	1,509,315
-	3,271,703
-	1,586,632
19,860	19,860
579,714	579,714
867,631	867,631
-	641,589
<u>1,467,205</u>	<u>17,981,366</u>
19,240	360,008
-	81,797
112,526	653,455
-	91,349
7,768	173,569
68,989	218,087
13,984	81,457
8,901	21,289
350	1,263
80,187	583,547
943	1,017,169
1,191,195	6,492,243
-	1,786,703
83,964	2,914,321
1,924	851,045
-	12,200
427	19,197
-	682,770
-	91,001
4,470	4,470
<u>1,594,868</u>	<u>16,136,940</u>
<u>(127,663)</u>	<u>1,844,426</u>

CITY OF HINESVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2020

	<u>Water and Sewer Fund</u>	<u>Sanitation Fund</u>	<u>Stormwater Utility Fund</u>
Nonoperating revenues (expenses)			
Investment income	113,290	-	4,197
Interest and fiscal charges	(364,220)	-	(44,393)
Total nonoperating revenue (expense)	<u>(250,930)</u>	<u>-</u>	<u>(40,196)</u>
Income (loss) before transfers and capital contributions	<u>1,470,525</u>	<u>18,897</u>	<u>191,541</u>
Transfers in	-	-	-
Capital contributions	151,162	-	-
Total transfers and capital contributions	<u>151,162</u>	<u>-</u>	<u>-</u>
Change in net position	1,621,687	18,897	191,541
Total net position - November 1	<u>42,033,772</u>	<u>999,534</u>	<u>1,161,595</u>
Total net position - October 31	<u>\$ 43,655,459</u>	<u>\$ 1,018,431</u>	<u>\$ 1,353,136</u>

Nonmajor Business Type Activities	Total Business Type Activities
730	118,217
(12,214)	(420,827)
(11,484)	(302,610)
(139,147)	1,541,816
44,727	44,727
-	151,162
44,727	195,889
(94,420)	1,737,705
1,054,823	45,249,724
<u>\$ 960,403</u>	<u>\$ 46,987,429</u>

CITY OF HINESVILLE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2020

	<u>Water and Sewer Fund</u>	<u>Sanitation Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers and users	\$ 11,896,429	\$ 3,271,703
Cash paid to suppliers for goods and services	(6,848,768)	(3,088,486)
Cash paid to employees for services	(380,237)	-
Net cash provided (used) by operating activities	<u>4,667,424</u>	<u>183,217</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Change in due from other funds	1,825,993	5,675
Change in due to other funds	914,378	-
Transfer from other funds	-	-
Net cash provided (used) by noncapital financing activities	<u>2,740,371</u>	<u>5,675</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES		
Proceeds from long-term borrowings	337,819	-
Proceeds from non-operating capital grants	151,162	-
Principal payments on long-term borrowings	(1,342,002)	-
Interest payments on long-term borrowings	(374,642)	-
Purchase of capital assets	(399,699)	(188,892)
Acquisition and construction of capital assets	(304,315)	-
Net cash provided (used) by capital and related financing activities	<u>(1,931,677)</u>	<u>(188,892)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from investments	540	-
Interest on investments	113,290	-
Net cash provided (used) by investing activities	<u>113,830</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	5,589,948	-
Cash and cash equivalents/investments, November 1	<u>11,186,002</u>	<u>-</u>
Cash and cash equivalents/investments, October 31	<u>\$ 16,775,950</u>	<u>\$ -</u>
CLASSIFIED AS:		
Cash and cash equivalents	\$ 8,668,378	\$ -
Restricted assets:		
Cash and cash equivalents	<u>8,107,572</u>	<u>-</u>
Cash and cash equivalents, October 31	<u>\$ 16,775,950</u>	<u>\$ -</u>

(Continued)

Stormwater Utility Fund	Nonmajor Business Type Activities	Total Business Type Activities
\$ 1,586,632	\$ 1,123,246	\$ 17,878,010
(1,029,722)	(1,473,217)	(12,440,193)
-	(19,240)	(399,477)
<u>556,910</u>	<u>(369,211)</u>	<u>5,038,340</u>
-	-	1,831,668
(203,320)	383,301	1,094,359
-	44,727	44,727
<u>(203,320)</u>	<u>428,028</u>	<u>2,970,754</u>
-	1,410,000	1,747,819
-	-	151,162
(199,486)	(33,590)	(1,575,078)
(49,682)	(8,773)	(433,097)
(44,421)	(1,393,592)	(2,026,604)
-	(44,230)	(348,545)
<u>(293,589)</u>	<u>(70,185)</u>	<u>(2,484,343)</u>
-	-	540
4,197	730	118,217
<u>4,197</u>	<u>730</u>	<u>118,757</u>
64,198	(10,638)	5,643,508
482,193	75,228	11,743,423
<u>\$ 546,391</u>	<u>\$ 64,590</u>	<u>\$ 17,386,931</u>
\$ -	\$ 64,590	\$ 8,732,968
546,391	-	8,653,963
<u>\$ 546,391</u>	<u>\$ 64,590</u>	<u>\$ 17,386,931</u>

CITY OF HINESVILLE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2020

	Water and Sewer Fund	Sanitation Fund
Reconciliation of operating income (loss) to net cash provided by (used in)		
operating activities		
Operating income (loss)	\$ 1,721,455	\$ 18,897
Adjustments to reconcile operating income (loss) to net cash provided by (used in)		
operating activities:		
Depreciation	2,396,968	154,237
Change in assets and liabilities		
(Increase) decrease in accounts receivable	188,865	-
(Increase) decrease in due from other governments	-	-
(Increase) decrease in prepaid expenses	(7,600)	-
(Increase) decrease in deferred outflows of resources	(35,290)	-
Increase (decrease) in accounts payable	(200,349)	10,083
Increase (decrease) in customer deposits payable	51,738	-
Increase (decrease) in accrued expenses	565	-
Increase (decrease) in compensated absences	2,675	-
Increase (decrease) in due to other funds	508,744	-
Increase (decrease) in net pension liability	23,313	-
Increase (decrease) in deferred inflows of resources	16,340	-
Total adjustments	2,945,969	164,320
Net cash provided by (used in) operating activities	\$ 4,667,424	\$ 183,217

Stormwater Utility Fund	Nonmajor Business Type Activities	Total Business Type Activities
<u>\$ 231,737</u>	<u>\$ (127,663)</u>	<u>\$ 1,844,426</u>
279,152	83,964	2,914,321
-	(193,238)	(4,373)
-	(150,721)	(150,721)
-	-	(7,600)
-	-	(35,290)
46,021	18,447	(125,798)
-	-	51,738
-	-	565
-	-	2,675
-	-	508,744
-	-	23,313
-	-	16,340
<u>325,173</u>	<u>(241,548)</u>	<u>3,193,914</u>
<u>\$ 556,910</u>	<u>\$ (369,211)</u>	<u>\$ 5,038,340</u>



HINESVILLE
GEORGIA

NOTES TO THE FINANCIAL
STATEMENTS



HINESVILLE
GEORGIA

CITY OF HINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

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 units, entities for which the city is considered to be financially accountable. The discretely presented component units are reported in separate columns in the government wide financial statements to emphasize that they are 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.

The Hinesville Development Authority has been included as a discretely presented component unit in the accompanying financial statements. The Hinesville Development Authority serves to develop trade, commerce, industry and employment opportunities in the City of Hinesville. The City possesses the authority to review, approve, and revise the budget and governs collection and disbursement of funds. The governing body of the Hinesville Development Authority is appointed by the City. Separate financial statements for the Hinesville Development Authority are not available.

CITY OF HINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

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

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 units. 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.

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 funds:

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.

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.

CITY OF HINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

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

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.

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.
- 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.
- TSPLOST – This capital projects fund accounts for the Transportation Special Purpose Local Option Sales Tax (TSPLOST) revenue 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.
- Fort Stewart Grounds Maintenance (FSGM) Fund – This enterprise fund accounts for the contract to provide grounds maintenance services to Fort Stewart and Hunter Army Airfield.

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.

CITY OF HINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the 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.

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.

CITY OF HINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

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 items are accounted for using the consumption method. A prepaid item is recognized when a cash expenditure is made for goods or services that were purchased for consumption but not consumed as of October 31. The City had prepaid insurance in the amount of \$243,816 as of October 31, 2020.

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.

CITY OF HINESVILLE, GEORGIA
NOTES TO THE 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.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
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

CITY OF HINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

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. The City has three items that qualify for reporting in this category which are related to the City's pension plan. See Note 9 for further details.

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 an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three 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 inflow of resources in the period that the amounts become available. The other two items the City has that qualify for reporting in this category are related to the City's pension plan. See Note 9 for further details.

CITY OF HINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

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

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.
- 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.

CITY OF HINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2020:

	General Fund	SPLOST Fund	Non-major Governmental Funds	Total Governmental Funds
Fund Balance:				
Nonspendable				
Prepays	\$ 181,297	\$ -	\$ -	\$ 181,297
Restricted				
Capital Outlay	-	4,759,190	226,397	4,985,587
Public Safety	54,606	-	-	54,606
Assigned				
Debt service	458,699	-	-	458,699
Community development	-	-	449,510	449,510
Unassigned	10,036,137	-	-	10,036,137
	<u>\$ 10,730,739</u>	<u>\$ 4,759,190</u>	<u>\$ 675,907</u>	<u>\$ 16,165,836</u>

CITY OF HINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

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.

CITY OF HINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

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, 2020.

General Fund:

Current:

Highways and Streets	\$ 50,300
Liberty County Board of Commissioners	\$ 13,359

These over expenditures were funded by greater than anticipated local option sales tax revenue and savings from other departments.

C. Deficit Net Position

The Fort Stewart Grounds Maintenance Fund reported a deficit net position of \$105,948 as of the fiscal year ended October 31, 2020. The project accounted for in this fund began in August 2020 and it is anticipated the deficit will be reduced in the next fiscal year with a full year of operations.

NOTE 3. DEPOSITS AND INVESTMENTS

Total deposits and investments as of October 31, 2020, are summarized as follows:

As reported in the Statement of Net Position:

Primary government:

Cash and cash equivalents	\$ 15,694,742
Restricted assets - cash and cash equivalents	<u>12,715,279</u>
Cash deposited with financial institutions	<u>\$ 28,410,021</u>

Component units:

Cash and cash equivalents	\$ 393,229
Restricted assets - cash and cash equivalents	<u>75,000</u>
Cash deposited with financial institutions	<u>\$ 468,229</u>

CITY OF HINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS *(continued)*

Credit risk. 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). The City has no investment policy that would further limit its investment choices. As of October 31, 2020, the U.S. Government Securities were rated AAA by Moody's and the City's investment in Georgia Fund 1 was rated AAAs by Standard and Poor's.

At October 31, 2020 the City had no investments.

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, 2020, the City did not have any deposits which were uninsured and under collateralized as defined by GASB pronouncements.

CITY OF HINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

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, 2020 are recorded as receivables, net of estimated uncollectible.

Real and personal property taxes were levied in November 2019. The taxes are based on the January 1, 2019 assessed values and are due on January 31, 2020 after which date liens can be attached. The net receivables collected during the year ended October 31, 2020 and expected to be collected by December 31, 2020, are recognized as revenues in the year ended October 31, 2020. Net receivables estimated to be collectible subsequent to December 31, 2020 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:

	<u>General</u>	<u>Nonmajor Governmental</u>	<u>Water and Sewer</u>	<u>Nonmajor Business Type</u>	<u>Total</u>
Receivables:					
Taxes	\$1,567,347	\$ 25,082	\$ -	\$ -	\$1,592,429
Accounts	177,998	-	3,350,701	193,238	3,721,937
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Gross receivables	1,745,345	25,082	3,350,701	193,238	5,314,366
Less allowance for uncollectible accounts	(139,867)	-	(814,375)	-	(954,242)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net total receivables	<u>\$1,605,478</u>	<u>\$ 25,082</u>	<u>\$ 2,536,326</u>	<u>\$ 193,238</u>	<u>\$4,360,124</u>

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, 2020, the outstanding balance of these notes receivable, net of an allowance of \$80,550, was \$227,560.

CITY OF HINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended October 31, 2020, was as follows:

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Governmental Activities					
Capital assets not being depreciated:					
Land and improvements	\$ 1,905,501	\$ -	\$ -	\$ -	\$ 1,905,501
Construction in progress	365,803	18,544	-	-	384,347
Total capital assets not being depreciated	<u>2,271,304</u>	<u>18,544</u>	<u>-</u>	<u>-</u>	<u>2,289,848</u>
Capital assets being depreciated:					
Buildings and improvements	15,675,766	-	-	-	15,675,766
Vehicles	5,366,672	206,255	(148,791)	-	5,424,136
Heavy equipment	863,229	-	-	-	863,229
Equipment	988,226	32,504	-	-	1,020,730
Office equipment	378,138	-	-	-	378,138
Infrastructure	56,681,809	-	-	-	56,681,809
Total capital assets being depreciated	<u>79,953,840</u>	<u>238,759</u>	<u>(148,791)</u>	<u>-</u>	<u>80,043,808</u>
Less accumulated depreciation for:					
Buildings and improvements	(3,910,486)	(310,666)	-	-	(4,221,152)
Vehicles	(4,505,232)	(338,465)	127,562	-	(4,716,135)
Heavy equipment	(651,620)	(16,278)	-	-	(667,898)
Equipment	(806,897)	(42,044)	-	-	(848,941)
Office equipment	(329,538)	(16,262)	-	-	(345,800)
Infrastructure	(26,052,452)	(1,097,012)	-	-	(27,149,464)
Total accumulated depreciation	<u>(36,256,225)</u>	<u>(1,820,727)</u>	<u>127,562</u>	<u>-</u>	<u>(37,949,390)</u>
Total capital assets being depreciated, net	<u>43,697,615</u>	<u>(1,581,968)</u>	<u>(21,229)</u>	<u>-</u>	<u>42,094,418</u>
Governmental activity capital assets, net	<u>\$ 45,968,919</u>	<u>\$(1,563,424)</u>	<u>\$ (21,229)</u>	<u>\$ -</u>	44,384,266
Less related long-term debt outstanding					(3,999,200)
Net investment in capital assets					<u>\$ 40,385,066</u>

CITY OF HINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (continued)

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Business-type activities					
Capital assets not being depreciated:					
Construction in progress	\$ 22,768,531	\$ 348,545	\$ -	\$ (22,688,133)	\$ 428,943
Land (Right of way)	23,910	-	-	-	23,910
Total capital assets not being depreciated	<u>22,792,441</u>	<u>348,545</u>	<u>-</u>	<u>(22,688,133)</u>	<u>452,853</u>
Capital assets being depreciated:					
Utility plant in service	92,477,467	-	-	21,688,827	114,166,294
Other equipment	9,036,599	2,026,604	(119,369)	10,508	10,954,342
Infrastructure	5,170,681	-	-	988,798	6,159,479
Total capital assets being depreciated	<u>106,684,747</u>	<u>2,026,604</u>	<u>(119,369)</u>	<u>22,688,133</u>	<u>131,280,115</u>
Less accumulated depreciation for:					
Utility plant in service	(48,441,198)	(2,336,411)	-	-	(50,777,609)
Other equipment	(7,426,147)	(451,454)	119,369	-	(7,758,232)
Infrastructure	(866,932)	(126,456)	-	-	(993,388)
Total accumulated depreciation	<u>(56,734,277)</u>	<u>(2,914,321)</u>	<u>119,369</u>	<u>-</u>	<u>(59,529,229)</u>
Total capital assets being depreciated, net	<u>49,950,470</u>	<u>(887,717)</u>	<u>-</u>	<u>22,688,133</u>	<u>71,750,886</u>
Business-type activity capital assets, net	<u>\$ 72,742,911</u>	<u>\$ (539,172)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>72,203,739</u>
Less related long-term debt outstanding					<u>(39,918,610)</u>
Net investment in capital assets					<u>\$ 32,285,129</u>

CITY OF HINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (continued)

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

Governmental activities:

General government	\$ 232,070
Public safety	433,163
Public works	1,119,559
Culture and recreation	17,405
Housing and development	<u>18,530</u>
Total depreciation expense - Governmental activities	<u>\$ 1,820,727</u>

Business-type activities:

Water and sewer	\$ 2,396,968
Sanitation	154,237
Stormwater utility	279,152
Transit	33,797
Fort Stewart Grounds Maintenance	<u>50,167</u>
Total depreciation expense - Business-type activities	<u>\$ 2,914,321</u>

CITY OF HINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. CHANGES IN LONG-TERM LIABILITIES

The following schedule details the City's long-term liability activity for the year ended October 31, 2020:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Refunding Revenue Bond Series 2015	\$ 4,342,044	\$ -	\$ (342,844)	\$ 3,999,200	\$ 352,356
Total revenue bonds	<u>4,342,044</u>	<u>-</u>	<u>(342,844)</u>	<u>3,999,200</u>	<u>352,356</u>
Other long term liabilities					
Net pension liability	4,288,976	753,775	-	5,042,751	-
Compensated absences	<u>732,522</u>	<u>1,242,491</u>	<u>(1,233,090)</u>	<u>741,923</u>	<u>111,289</u>
Total other long term liabilities	<u>5,021,498</u>	<u>1,996,266</u>	<u>(1,233,090)</u>	<u>5,784,674</u>	<u>111,289</u>
Total governmental activities	<u>\$ 9,363,542</u>	<u>\$ 1,996,266</u>	<u>\$ (1,575,934)</u>	<u>\$ 9,783,874</u>	<u>\$ 463,645</u>
Business-type activities:					
Revenue bonds	\$ 4,900,000	\$ -	\$ (800,000)	\$ 4,100,000	\$ 815,000
Unamortized premium	27,375	-	(7,133)	20,242	6,210
Direct Borrowings:					
GEFA loans payable	34,407,021	337,819	(610,240)	34,134,600	1,333,374
Capital lease payable	<u>411,473</u>	<u>1,410,000</u>	<u>(157,705)</u>	<u>1,663,768</u>	<u>299,848</u>
Total bonds, loans and notes payable	<u>39,745,869</u>	<u>1,747,819</u>	<u>(1,575,078)</u>	<u>39,918,610</u>	<u>2,454,432</u>
Other long-term liabilities					
Net pension liability	132,648	23,312	-	155,960	-
Compensated absences	<u>26,886</u>	<u>43,142</u>	<u>(40,467)</u>	<u>29,561</u>	<u>4,434</u>
Total other long term liabilities	<u>159,534</u>	<u>66,454</u>	<u>(40,467)</u>	<u>185,521</u>	<u>4,434</u>
Total business-type activities	<u>\$ 39,905,403</u>	<u>\$ 1,814,273</u>	<u>\$ (1,615,545)</u>	<u>\$ 40,104,131</u>	<u>\$ 2,458,866</u>

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

CITY OF HINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

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
2021	\$ 352,356	\$ 106,343	\$ 458,699
2022	362,146	96,553	458,699
2023	372,208	86,491	458,699
2024	382,550	76,149	458,699
2025	393,179	65,520	458,699
2026-2030	2,136,761	156,733	2,293,494
Totals	<u>\$ 3,999,200</u>	<u>\$ 587,789</u>	<u>\$ 4,586,989</u>

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, 2020 are as follows:

Purpose	Original Amount	Interest Rate	Due Date	Amount
Water & Sewer Fund Improvements	\$ 11,060,000	2.00% - 3.00%	2026	\$ 4,100,000
Total Revenue Bonds Payable				4,100,000
Less current portion				<u>(815,000)</u>
Long-term portion of revenue bonds				<u>\$ 3,285,000</u>

CITY OF HINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (continued)

Debt service requirements to maturity are as follows:

Fiscal Year Ending October 31,	Principal	Interest	Total
2021	\$ 815,000	\$ 87,823	\$ 902,823
2022	830,000	72,378	902,378
2023	730,000	54,128	784,128
2024	635,000	37,853	672,853
2025	650,000	24,200	674,200
2026	440,000	9,900	449,900
Totals	<u>\$ 4,100,000</u>	<u>\$ 286,280</u>	<u>\$ 4,386,280</u>

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. In July 2020, this loan was modified to provide relief from COVID. For a period of six months (July 1, 2020 – December 31, 2020) no payments are due on this loan and no interest shall accrue. Accordingly, the loan has been extended to January 2034.

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. In July 2020, this loan was modified to provide relief from COVID-19. For a period of six months (July 1, 2020 – December 31, 2020) no payments are due on this loan and no interest shall accrue. Accordingly, the loan has been extended to August 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. In May 2020, the principal amount of \$22,400,00 of this loan was placed into repayment status. This loan is due in 240 monthly installments of \$107,063 including interest at 1.40% through May 2040. In July 2020, this loan was modified to provide relief from COVID-19. For a period of six months (July 1, 2020 – December 31, 2020) no payments are due on this loan and no interest shall accrue. Accordingly, the loan has been extended to November 2040.

CITY OF HINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (continued)

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. In August 2018, the principal amount of \$634,457 of this loan was placed into repayment status. The loan is due in 240 monthly installments of \$2,943 with an annual interest rate of 1.09% through August 2038. In July 2020, this loan was modified to provide relief from COVID-19. For a period of six months (July 1, 2020 – December 31, 2020) no payments are due on this loan and no interest shall accrue. Accordingly, the loan has been extended to February 2039

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. In August 2019, the principal amount of \$6,030,482 was placed into repayment status. The loan is due in 240 monthly installments of \$27,977 with an annual interest rate of 1.09% through August 2039. In July 2020, this loan was modified to provide relief from COVID-19. For a period of six months (July 1, 2020 – December 31, 2020) no payments are due on this loan and no interest shall accrue. Accordingly, the loan has been extended to February 2040.

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. In February 2020, the principal amount of \$326,932 of this loan was placed into repayment status. This loan is due in 120 monthly installments of \$2,794 including interest at 0.50% through February 2030. In July 2020, this loan was modified to provide relief from COVID-19. For a period of six months (July 1, 2020 – December 31, 2020) no payments are due on this loan and no interest shall accrue. Accordingly, the loan has been extended to August 2030.

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. In May 2019, the principal amount of \$2,105,000 was placed into repayment status. The loan is due in 240 monthly installments of \$9,578 with an annual interest rate of 0.89% through May 2039. In July 2020, this loan was modified to provide relief from COVID. For a period of six months (July 1, 2020 – December 31, 2020) no payments are due on this loan and no interest shall accrue. In September 2020, the loan was again modified to award the City additional \$125,200 in principal forgiveness (total principal forgiveness of \$625,200). With these modifications monthly installments are \$8,978 through November 2039.

During the year ended October 31, 2020, the City's Water & Sewer Fund entered into a loan agreement up to \$2,626,000 with GEFA to modify the City's water reclamation facility. Under this loan agreement, GEFA agrees to forgive up to \$550,000 of the principal of this loan. As of October 31, 2020, the City has drawn \$123,627 (\$97,665 to be repaid and \$25,962 principal forgiveness) on this loan and has \$2,502,373 available to draw down.

CITY OF HINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (continued)

GEFA loans outstanding at October 31, 2020 are as follows:

Purpose	Original Amount	Interest Rate	Due Date	Amount
Water & Sewer Fund Improvements	\$ 1,724,687	1.40%	2035	\$ 1,310,876
Water & Sewer Fund Improvements	634,457	1.09%	2039	581,881
Water & Sewer Fund Improvements	2,105,000	0.89%	2039	1,875,119
Water & Sewer Fund Improvements	6,122,450	1.09%	2040	5,804,572
Water & Sewer Fund Improvements	22,400,000	1.40%	2040	22,319,070
Water & Sewer Fund Improvements	409,000	0.50%	2030	316,296
Water & Sewer Fund Improvements	2,626,000	In construction status		97,665
Stormwater projects	2,542,459	3.00%	2034	1,829,121
Total GEFA loans payable				34,134,600
Less GEFA loans payable in construction status				<u>(97,665)</u>
Long-term portion in repayment status				34,036,935
Less current portion				<u>(1,333,374)</u>
Long-term portion of GEFA Loans				<u><u>\$ 32,703,561</u></u>

CITY OF HINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

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
2021	\$ 1,333,374	\$ 386,347	\$ 1,719,721
2022	1,620,870	442,942	2,063,812
2023	1,643,923	420,050	2,063,973
2024	1,667,345	396,790	2,064,135
2025	1,691,140	373,157	2,064,297
2026-2030	8,820,649	458,651	9,279,301
2031-2035	8,991,517	205,328	9,196,844
2036-2040	8,161,177	275,066	8,436,243
2041	106,940	125	107,065
Total	<u>\$34,036,935</u>	<u>\$ 2,958,456</u>	<u>\$36,995,391</u>

Capital Lease

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, 2020:

<u>Class of Property</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Current Year Depreciation Expense</u>
Equipment	<u>\$ 219,229</u>	<u>\$ (87,692)</u>	<u>\$ 131,537</u>	<u>\$ 21,923</u>

The City has entered into a lease agreement as lessee for financing the acquisition of a walking excavator (Spyder). 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 3.260%.

CITY OF HINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (continued)

The following is an analysis of the asset recorded under capital leases at October 31, 2020:

Class of Property	Cost	Accumulated Depreciation	Net Book Value	Current Year Depreciation Expense
Equipment	<u>\$ 356,737</u>	<u>\$ (59,456)</u>	<u>\$ 297,281</u>	<u>\$ (35,674)</u>

The City has entered into a lease agreement as lessee for financing the acquisition of equipment for the Fort Stewart Grounds Maintenance Fund. 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 Fort Stewart Grounds Maintenance Fund in monthly payments with an annual interest rate of 3.00%.

The following is an analysis of the asset recorded under capital leases at October 31, 2020:

Class of Property	Cost	Accumulated Depreciation	Net Book Value	Current Year Depreciation Expense
Equipment	<u>\$ 1,379,592</u>	<u>\$ (50,167)</u>	<u>\$ 1,329,425</u>	<u>\$ (50,167)</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of October 31, 2020 are as follows:

Fiscal Year Ending October 31,	Principal	Interest	Total
2021	\$ 299,848	\$ 46,497	\$ 346,345
2022	294,257	37,532	331,789
2023	303,392	28,397	331,789
2024	293,410	18,977	312,387
2025	243,321	10,858	254,179
2026	229,540	3,457	232,997
Total	<u>\$ 1,663,768</u>	<u>\$ 145,718</u>	<u>\$ 1,809,486</u>

CITY OF HINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. INTERFUND BALANCES AND TRANSFERS

Interfund receivable and payable balances as of October 31, 2020 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental	\$ 401,897
General Fund	Water and Sewer Fund	1,428,797
General Fund	Stormwater Utility Fund	2,038,053
General Fund	Nonmajor Proprietary	1,089,644
SPLOST Fund	General Fund	358,093
Nonmajor Governmental	General Fund	361,602
Sanitation Fund	Water and Sewer Fund	690,810
		<u>\$ 6,368,896</u>

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, 2020 consisted of the following:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Purpose</u>	<u>Amount</u>
General Fund	Nonmajor Governmental	Distribution of tax revenue	\$ 86,745
General Fund	Nonmajor Governmental	Program administration	47,006
Nonmajor Governmental	General Fund	Grant program assistance	64,085
Nonmajor Governmental	General Fund	LMIG match	32,292
Nonmajor Proprietary	General Fund	Local match	44,727
			<u>\$ 274,855</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute 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.

CITY OF HINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

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, 2020 pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	94
Inactive plan members entitled to but not receiving benefits	41
Active plan members	<u>200</u>
	<u><u>335</u></u>

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, 2020, the City's contribution rate was 10.90% of annual payroll. City contributions to the Plan were \$814,698 for the year ended October 31, 2020.

CITY OF HINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN (continued)

D. Net Pension Liability

The City's net pension liability was measured as of November 30, 2019 which would make it applicable to the fiscal year beginning November 1, 2019 and ending October 31, 2020.

E. Actuarial Assumptions

The total pension liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Net Investment Rate of Return	7.375%
Projected Salary Increases	2.25% plus service based merit increases
Cost of Living Adjustment	0.00%

Mortality rates for the valuation period were based on the sex-distinct Pri-2012 head-count weighted Mortality Tables. These methods and assumptions 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 July 1, 2015 through June 30, 2019. 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 March 31, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	45%	6.41%
International equity	20%	6.96%
Domestic Fixed Income	20%	1.96%
Real estate	10%	4.76%
Global Fixed Income	5%	3.06%
Total	100%	

CITY OF HINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN (continued)

F. Discount Rate

The discount rate used to measure the total pension liability was 7.375%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at 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, 2020, were as follows:

	<u>Tota Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a) - (b)</u>
Balances at 10/31/2019	\$ 24,013,624	\$ 19,592,000	\$ 4,421,624
Changes for the year:			
Service cost	227,603	-	227,603
Interest	1,768,610	-	1,768,610
Differences between expected and actual experience	125,449	-	125,449
Assumption Changes	1,737,795	-	1,737,795
Current year changes in plan benefits	-	-	-
Contributions - employer	-	716,266	(716,266)
Contributions - employee	-	-	-
Net investment income	-	2,402,296	(2,402,296)
Benefit payments, including refunds of employee contributions	(1,319,512)	(1,319,512)	-
Administrative expenses	-	(36,192)	36,192
Net changes	<u>2,539,945</u>	<u>1,762,858</u>	<u>777,087</u>
Balances at 10/31/2020	<u>\$ 26,553,569</u>	<u>\$ 21,354,858</u>	<u>\$ 5,198,711</u>

The required schedule of changes in the City's net pension liability and related ratios on pages 69-72 presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

CITY OF HINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

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 7.375%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.375%) or 1-percentage-point higher (8.375%) than the current year.

	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
City's net pension liability	\$ 8,371,027	\$ 5,198,711	\$ 2,536,875

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, 2019.

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

For the year ended October 31, 2020, the City recognized pension expense of \$892,214. At October 31, 2020, 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	\$ 472,445	\$ 130,466
Changes in assumptions	1,604,435	-
Net difference between projected and actual earnings on pension plan investments	-	715,691
City contributions subsequent to the measurement date	746,805	-
Balances at 10/31/2020	\$ 2,823,685	\$ 846,157

CITY OF HINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN *(continued)*

City contributions subsequent to the measurement date of \$746,805 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, 2021. 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,	
2021	\$ 264,495
2022	95,241
2023	441,280
2024	119,166
2025	310,541
Totals	<u>\$ 1,230,723</u>

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, 2020, 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, 2020 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.

CITY OF HINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

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, 2020 follows:

Total lodging tax receipts	<u>\$ 144,575</u>
40% of tax receipted owed to the Liberty County Convention & Visitors Bureau for October 31, 2020	57,830
Tax receipts owed at October 31, 2019	9,683
Disbursements to the Liberty County Convention & Visitors Bureau during the year ended October 31, 2020	<u>(57,172)</u>
Lodging tax funds due to Liberty County Convention & Visitors Bureau at October 31, 2020	<u>\$ 10,341</u>

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.

CITY OF HINESVILLE, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

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 and for our Fort Stewart Grounds Maintenance 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; drainage services in the Stormwater Utility Enterprise Fund; and grounds maintenance in the Fort Stewart Grounds Maintenance 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.



HINESVILLE
GEORGIA

REQUIRED SUPPLEMENTARY
INFORMATION

CITY OF HINESVILLE, GEORGIA

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>
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)	<u>\$ 19,403,869</u>	<u>\$ 20,294,302</u>	<u>\$ 21,658,288</u>
 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 expenses	(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)	<u>\$ 15,572,406</u>	<u>\$ 16,237,733</u>	<u>\$ 16,965,660</u>
 Net pension liability (a) - (b)	<u>\$ 3,831,463</u>	<u>\$ 4,056,569</u>	<u>\$ 4,692,628</u>
 Plan fiduciary net position as a percentage of the total pension liability	80.25%	80.01%	78.33%
Covered payroll	\$ 8,693,384	\$ 8,537,000	\$ 8,666,623
City's net pension liability as a percentage of covered payroll	44.07%	47.52%	54.15%

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

2018	2019	2020
\$ 246,963	\$ 237,021	\$ 227,603
1,637,604	1,666,643	1,768,610
(326,166)	462,237	125,449
390,674	-	1,737,795
58,474	287,968	-
<u>(1,055,817)</u>	<u>(1,250,265)</u>	<u>(1,319,512)</u>
951,732	1,403,604	2,539,945
21,658,288	22,610,020	24,013,624
<u>\$ 22,610,020</u>	<u>\$ 24,013,624</u>	<u>\$ 26,553,569</u>

\$ 798,035	\$ 797,982	\$ 716,266
3,098,018	315,757	2,402,296
(1,055,817)	(1,250,265)	(1,319,512)
<u>(39,685)</u>	<u>(37,685)</u>	<u>(36,192)</u>
2,800,551	(174,211)	1,762,858
16,965,660	19,766,211	19,592,000
<u>\$ 19,766,211</u>	<u>\$ 19,592,000</u>	<u>\$ 21,354,858</u>

<u>\$ 2,843,809</u>	<u>\$ 4,421,624</u>	<u>\$ 5,198,711</u>
---------------------	---------------------	---------------------

87.42%	81.59%	80.42%
--------	--------	--------

\$ 8,533,233	\$ 8,410,412	\$ 8,969,026
--------------	--------------	--------------

33.33%	52.57%	57.96%
--------	--------	--------

CITY OF HINESVILLE, GEORGIA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S CONTRIBUTION**

	<u>2015</u>	<u>2016</u>	<u>2017</u>
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)	<u>\$ -</u>	<u>\$ (17,546)</u>	<u>\$ 68,703</u>
Covered payroll	\$ 8,693,384	\$ 8,537,000	\$ 8,537,000
Contributions as a percentage of covered 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	7.375%
Projected salary increases	2.25% plus service based merit increases
Cost of living adjustments	0.00%

2018	2019	2020
\$ 729,511	\$ 799,491	\$ 781,381
800,114	799,491	781,381
<u>\$ (70,603)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 8,666,623	\$ 8,533,233	\$ 8,410,412
9.23%	9.37%	9.29%



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, 2020

	Special Revenue Funds	
	Multiple Grant Fund	Hotel/ Motel Tax Fund
Assets		
Cash and cash equivalents	\$ 412,037	\$ -
Receivables, net	-	25,082
Notes receivable, net	227,560	-
Due from other funds	-	-
Due from other governments	321,238	-
Total assets	<u>\$ 960,835</u>	<u>\$ 25,082</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 124,169	\$ 10,341
Due to other funds	387,156	14,741
Total liabilities	<u>511,325</u>	<u>25,082</u>
Fund balances		
Restricted	-	-
Assigned	449,510	-
Total fund balances	<u>449,510</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 960,835</u>	<u>\$ 25,082</u>

CITY OF HINESVILLE, GEORGIA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
OCTOBER 31, 2020

Capital Project Funds		Total Nonmajor Governmental Funds
LMIG Fund	TSPLOST Fund	
\$ -	\$ -	\$ 412,037
-	-	25,082
-	-	227,560
361,602	-	361,602
-	226,397	547,635
<u>\$ 361,602</u>	<u>\$ 226,397</u>	<u>\$ 1,573,916</u>
\$ 361,602	\$ -	\$ 496,112
-	-	401,897
<u>361,602</u>	<u>-</u>	<u>898,009</u>
-	226,397	226,397
-	-	449,510
<u>-</u>	<u>226,397</u>	<u>675,907</u>
<u>\$ 361,602</u>	<u>\$ 226,397</u>	<u>\$ 1,573,916</u>

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, 2020**

	<u>Special Revenue Funds</u>	
	<u>Multiple Grant Fund</u>	<u>Hotel/ Motel Tax Fund</u>
Revenues:		
Other taxes	\$ -	\$ 144,575
Intergovernmental	883,400	-
Interest revenues	7,965	-
Total revenues	<u>891,365</u>	<u>144,575</u>
Expenditures:		
Current:		
Public safety	75,935	-
Public works	72,608	-
Housing and development	407,105	-
Health and welfare	332,731	-
Culture and recreation	12,101	-
Capital outlay	-	-
Intergovernmental	-	57,830
Total expenditures	<u>900,480</u>	<u>57,830</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,115)</u>	<u>86,745</u>
Other financing sources (uses)		
Transfers In	64,085	-
Transfers Out	(47,006)	(86,745)
Total other financing sources (uses)	<u>17,079</u>	<u>(86,745)</u>
Net change in fund balances	7,964	-
Fund balance - November 1	<u>441,546</u>	<u>-</u>
Fund balance - October 31	<u>\$ 449,510</u>	<u>\$ -</u>

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, 2020**

Capital Project Funds		
LMIG Fund	TSPLOST Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 144,575
357,049	226,397	1,466,846
-	-	7,965
<u>357,049</u>	<u>226,397</u>	<u>1,619,386</u>
-	-	75,935
-	-	72,608
-	-	407,105
-	-	332,731
-	-	12,101
416,272	-	416,272
-	-	57,830
<u>416,272</u>	<u>-</u>	<u>1,374,582</u>
<u>(59,223)</u>	<u>226,397</u>	<u>244,804</u>
32,292	-	96,377
-	-	(133,751)
<u>32,292</u>	<u>-</u>	<u>(37,374)</u>
(26,931)	226,397	207,430
<u>26,931</u>	<u>-</u>	<u>468,477</u>
<u>\$ -</u>	<u>\$ 226,397</u>	<u>\$ 675,907</u>

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, 2020**

	Budgeted Amounts		Variance With Final
	Final	Actual	Budget
Revenues			
Intergovernmental	\$ 1,726,307	\$ 883,400	\$ (842,907)
Interest revenues	-	7,965	7,965
Total revenues	<u>1,726,307</u>	<u>891,365</u>	<u>(834,942)</u>
Expenditures			
Public safety			
Police	63,296	55,865	7,431
Fire	30,000	20,070	9,930
Total public safety	<u>93,296</u>	<u>75,935</u>	<u>17,361</u>
Public works			
Highways and streets	75,000	72,608	2,392
Total public works	<u>75,000</u>	<u>72,608</u>	<u>2,392</u>
Housing and development			
Urban redevelopment	1,061,612	407,105	654,507
Total housing and development	<u>1,061,612</u>	<u>407,105</u>	<u>654,507</u>
Health and welfare			
Community development	462,802	332,731	130,071
Total health and welfare	<u>462,802</u>	<u>332,731</u>	<u>130,071</u>
Culture and recreation			
Parks and grounds	56,000	12,101	43,899
Total culture and recreation	<u>56,000</u>	<u>12,101</u>	<u>43,899</u>
Total expenditures	<u>1,748,710</u>	<u>900,480</u>	<u>848,230</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(22,403)</u>	<u>(9,115)</u>	<u>13,288</u>
Other financing sources (uses)			
Transfers In	103,443	64,085	(39,358)
Transfers Out	(81,040)	(47,006)	34,034
Total other financing sources (uses)	<u>22,403</u>	<u>17,079</u>	<u>(5,324)</u>
Net change in fund balances	-	7,964	7,964
Fund balance - November 1	<u>441,546</u>	<u>441,546</u>	<u>-</u>
Fund balance - October 31	<u>\$ 441,546</u>	<u>\$ 449,510</u>	<u>\$ 7,964</u>

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, 2020**

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance With Final Budget
Revenues			
Other taxes	\$ 177,625	\$ 144,575	\$ (33,050)
Total revenues	<u>177,625</u>	<u>144,575</u>	<u>(33,050)</u>
Expenditures			
Current			
Intergovernmental	71,050	57,830	13,220
Total expenditures	<u>71,050</u>	<u>57,830</u>	<u>13,220</u>
Excess (deficiency) of revenues over (under) expenditures	<u>106,575</u>	<u>86,745</u>	<u>(19,830)</u>
Other financing sources (uses):			
Transfers Out	(106,575)	(86,745)	19,830
Total other financing sources (uses)	<u>(106,575)</u>	<u>(86,745)</u>	<u>19,830</u>
Net change in fund balances	-	-	-
Fund balance - November 1	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - October 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



HINESVILLE
GEORGIA

CITY OF HINESVILLE, GEORGIA
COMBINING STATEMENT OF NET POSITION
NON-MAJOR PROPRIETARY FUNDS
OCTOBER 31, 2020

	Transit Fund	Fort Stewart Grounds Maintenance Fund	Total Nonmajor Business Type Activities
Assets			
Current assets			
Cash and cash equivalents	\$ 31,893	\$ 32,697	\$ 64,590
Receivables, net	-	193,238	193,238
Due from other governments	868,282	-	868,282
Total current assets	<u>900,175</u>	<u>225,935</u>	<u>1,126,110</u>
Noncurrent assets			
Capital assets, nondepreciable	11,700	-	11,700
Capital assets, net of accumulated depreciation	1,067,552	1,329,425	2,396,977
Total noncurrent assets	<u>1,079,252</u>	<u>1,329,425</u>	<u>2,408,677</u>
Total assets	<u>1,979,427</u>	<u>1,555,360</u>	<u>3,534,787</u>
Liabilities			
Current liabilities			
Accounts payable	82,460	22,429	104,889
Accrued interest payable	-	3,441	3,441
Due to other funds	830,616	259,028	1,089,644
Current portion of capital lease payable	-	215,839	215,839
Total current liabilities	<u>913,076</u>	<u>500,737</u>	<u>1,413,813</u>
Noncurrent liabilities			
Capital lease payable, long term portion	-	1,160,571	1,160,571
Total noncurrent liabilities	<u>-</u>	<u>1,160,571</u>	<u>1,160,571</u>
Total liabilities	<u>913,076</u>	<u>1,661,308</u>	<u>2,574,384</u>
Net Position			
Net investment in capital assets	1,079,252	(46,985)	1,032,267
Unrestricted	(12,901)	(58,963)	(71,864)
Total net position	<u>\$ 1,066,351</u>	<u>\$ (105,948)</u>	<u>\$ 960,403</u>

CITY OF HINESVILLE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
NON-MAJOR PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2020

	Transit Fund	Fort Stewart Grounds Maintenance Fund	Total Nonmajor Business Type Activities
Operating revenues			
Transit fees	\$ 19,860	\$ -	\$ 19,860
Grounds maintenance fees	-	579,714	579,714
Intergovernmental	867,631	-	867,631
Total operating revenues	<u>887,491</u>	<u>579,714</u>	<u>1,467,205</u>
Operating expenses			
Salaries	19,240	-	19,240
Vehicle operating expenses	27,533	84,993	112,526
General insurance	7,768	-	7,768
Professional fees	66,334	2,655	68,989
Computer services	12,612	1,372	13,984
Equipment rental and repairs	-	8,901	8,901
Schools and training	350	-	350
Operating supplies	5,460	74,727	80,187
Utilities	-	943	943
Operations contracted services	741,445	449,750	1,191,195
Depreciation	33,797	50,167	83,964
Administrative fees	1,924	-	1,924
Miscellaneous	427	-	427
Marketing	4,470	-	4,470
Total operating expenses	<u>921,360</u>	<u>673,508</u>	<u>1,594,868</u>
Operating income (loss)	<u>(33,869)</u>	<u>(93,794)</u>	<u>(127,663)</u>

(Continued)

CITY OF HINESVILLE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
NON-MAJOR PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2020

	Transit Fund	Fort Stewart Grounds Maintenance Fund	Total Nonmajor Business Type Activities
Nonoperating revenues (expenses)			
Investment income	670	60	730
Interest and fiscal charges	-	(12,214)	(12,214)
Total nonoperating revenue (expense)	<u>670</u>	<u>(12,154)</u>	<u>(11,484)</u>
 Income (loss) before transfers and contributions	 <u>\$ (33,199)</u>	 <u>\$ (105,948)</u>	 <u>\$ (139,147)</u>
 Transfers in	 44,727	 -	 44,727
Total transfers and contributions	<u>44,727</u>	<u>-</u>	<u>44,727</u>
 Change in net position	 11,528	 (105,948)	 (94,420)
Total net position - November 1	<u>1,054,823</u>	<u>-</u>	<u>1,054,823</u>
Total net position (deficit) - October 31	<u>\$ 1,066,351</u>	<u>\$ (105,948)</u>	<u>\$ 960,403</u>

CITY OF HINESVILLE, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2020

	Transit Fund	Fort Stewart Grounds Maintenance Fund	Total Nonmajor Business Type Activities
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers and users	\$ 736,770	\$ 386,476	\$ 1,123,246
Cash paid to suppliers for goods and services	(872,305)	(600,912)	(1,473,217)
Cash paid to employees for services	(19,240)	-	(19,240)
Net cash provided (used) by operating activities	<u>(154,775)</u>	<u>(214,436)</u>	<u>(369,211)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Due to other funds	124,273	259,028	383,301
Transfer from other funds	44,727	-	44,727
Net cash provided (used) by noncapital financing activities	<u>169,000</u>	<u>259,028</u>	<u>428,028</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES			
Proceeds from long-term borrowings	-	1,410,000	1,410,000
Purchase of capital assets	(14,000)	(1,379,592)	(1,393,592)
Acquisition and construction of capital assets	(44,230)	-	(44,230)
Principal payments on long-term borrowings	-	(33,590)	(33,590)
Interest payments on long-term borrowings	-	(8,773)	(8,773)
Net cash provided (used) by capital and related financing activities	<u>(58,230)</u>	<u>(11,955)</u>	<u>(70,185)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	670	60	730
Net cash provided (used) by investing activities	<u>670</u>	<u>60</u>	<u>730</u>
Net increase (decrease) in cash and cash equivalents	(43,335)	32,697	(10,638)
Cash and cash equivalents/investments, November 1	75,228	-	75,228
Cash and cash equivalents/investments, October 31	<u>\$ 31,893</u>	<u>\$ 32,697</u>	<u>\$ 64,590</u>
CLASSIFIED AS:			
Cash and cash equivalents	\$ 31,893	\$ 32,697	\$ 64,590
Cash and cash equivalents, October 31	<u>\$ 31,893</u>	<u>\$ 32,697</u>	<u>\$ 64,590</u>

(Continued)

CITY OF HINESVILLE, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2020

	<u>Transit Fund</u>	<u>Fort Stewart Grounds Maintenance Fund</u>	<u>Total Nonmajor Business Type Activities</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ (33,869)	\$ (93,794)	\$ (127,663)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	33,797	50,167	83,964
Change in assets and liabilities			
(Increase) decrease in accounts receivable	-	(193,238)	(193,238)
(Increase) decrease in due from other governments	(150,721)	-	(150,721)
Increase (decrease) in accounts payable	(3,982)	22,429	18,447
Total adjustments	<u>(120,906)</u>	<u>(120,642)</u>	<u>(241,548)</u>
Net cash provided by (used in) operating activities	<u>\$ (154,775)</u>	<u>\$ (214,436)</u>	<u>\$ (369,211)</u>

CITY OF HINESVILLE, GEORGIA

**SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALE TAX PROCEEDS
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2020**

<u>Project Description</u>	<u>Original Estimated Cost</u>	<u>Revised Estimated Cost</u>	<u>Expenditures</u>		<u>Total</u>
			<u>Prior Years</u>	<u>Current Year</u>	
<u>2009 Resolution</u>					
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	127,296	-	127,296
McArthur Road	248,527	248,527	39,238	11,765	51,003
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	279,443	-	279,443
Gibson Street	-	140,080	155,847	-	155,847
Deann Drive	-	-	9,720	-	9,720
Veteran's Parkway Lighting	-	-	211,980	-	211,980
Sequoia Circle Drainage	-	-	97,088	-	97,088
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	<u>\$ 9,833,825</u>	<u>\$ 6,842,221</u>	<u>\$ 9,343,177</u>	<u>\$ 11,765</u>	<u>\$ 9,354,942</u>

CITY OF HINESVILLE, GEORGIA

**SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALE TAX PROCEEDS
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2020**

<u>Project Description</u>	<u>Original Estimated Cost</u>	<u>Revised Estimated Cost</u>	<u>Expenditures</u>		<u>Total</u>
			<u>Prior Years</u>	<u>Current Year</u>	
<u>2016 Resolution</u>					
Public Safety vehicles and equipment	\$ 1,000,000	\$ 1,000,000	\$ 326,737	\$ 95,155	\$ 421,892
Hinesville capital projects - Debt Service	3,150,000	3,150,000	1,146,747	458,698	1,605,445
Ryon Avenue/US 84 @ Bryant Commons	767,000	767,000	-	-	-
LMIG Road Match	300,000	300,000	100,000	-	100,000
Roadway and/or Drainage Infrastructure	600,000	600,000	140,714	22,606	163,320
Other City Projects:	5,950,454				
Main Street Curb & Gutter and sidewalks	-	1,238,226	13,560	16,408	29,968
McArthur Road and sidewalks	-	348,367	-	-	-
Fire Station	-	2,700,000	242,162	35,249	277,411
Bryant Commons Entrance & Loop Road	-	839,800	-	-	-
Balance of Ryon Ave @ Bryant Commons	-	76,700	-	600	600
Southside Park	-	742,108	-	-	-
Bradwell Park Renovations	-	5,253	-	38,729	38,729
Total all Projects	<u>\$ 11,767,454</u>	<u>\$ 11,767,454</u>	<u>\$ 1,969,920</u>	<u>\$ 667,445</u>	<u>\$ 2,637,365</u>



HINESVILLE
GEORGIA

COMPONENT UNIT

CITY OF HINESVILLE, GEORGIA

**BALANCE SHEET
COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY
OCTOBER 31, 2020**

Assets	
Cash and cash equivalents	\$ 319,265
Restricted assets:	
Cash and cash equivalents	75,000
Assets held for resale	941,829
	<hr/>
Total assets	\$ 1,336,094
	<hr/> <hr/>
Liabilities and Fund Balances	
Liabilities	
Accounts payable	\$ 33,176
Due to other governments	115,446
Customer deposits	200
	<hr/>
Total liabilities	148,822
	<hr/> <hr/>
Fund balances	
Unassigned	1,187,272
	<hr/>
Total fund balances	\$ 1,187,272
	<hr/> <hr/>
Amounts report for governmental activities 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.	\$ 32,345
	<hr/>
Net position of component unit	\$ 1,219,617
	<hr/> <hr/>

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, 2020**

Revenues:	
Charges for services	\$ 20,313
Intergovernmental	547,081
Other revenues	14,400
Total revenues	581,794
 Expenditures:	
Administration	332,618
Housing and development	251,437
Total expenditures	584,055
Excess (deficiency) of revenues over (under) expenditures	(2,261)
Net change in fund balances	(2,261)
Fund balance - November 1	1,189,533
Fund balance - October 31	\$ 1,187,272

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

Net change in fund balance - component unit	\$ (2,261)
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)
Change in net position of component unit	\$ (3,325)

CITY OF HINESVILLE, GEORGIA

**BALANCE SHEET
COMPONENT UNIT - HINESVILLE DEVELOPMENT AUTHORITY
OCTOBER 31, 2020**

Assets	
Cash and cash equivalents	\$ 73,964
Total assets	<u>\$ 73,964</u>
Liabilities and Fund Balances	
Accounts payable	\$ 4
Due to other governments	26,460
Total liabilities	<u>26,464</u>
Fund balances	
Assigned	<u>47,500</u>
Total liabilities and fund balances	<u>\$ 47,500</u>

Amounts report for governmental activities 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.

Nondepreciable capital assets	\$ 269,349
-------------------------------	------------

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.

Notes payable	(248,313)
---------------	-----------

Net position of component unit	<u>\$ 68,536</u>
--------------------------------	------------------

CITY OF HINESVILLE, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
COMPONENT UNIT - HINESVILLE DEVELOPMENT AUTHORITY
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2020**

Revenues:	
Interest revenues	\$ 14
Other revenues	58,605
Total revenues	58,619
 Expenditures:	
Administration	86,389
Economic development	269,350
Total expenditures	355,739
Excess (deficiency) of revenues over (under) expenditures	(297,120)
 Other financing sources (uses)	
Proceeds from issuance of note payable	248,313
Total other financing sources (uses)	248,313
Net change in fund balances	(48,807)
Fund balance - November 1	96,306
Fund balance - October 31	\$ 47,499

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

Net change in fund balance - component unit	\$ (48,807)
---------------------------------------------	-------------

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	269,350
-----------------------------------------------------------------	---------

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.

Proceeds from issuance of debt	(248,313)
--------------------------------	-----------

Change in net position of component unit	\$ (27,770)
------------------------------------------	-------------



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
Financial Trends -----	91
<i>These schedules contain trend information to help the reader understand how the city’s financial position has changed over time.</i>	
Revenue Capacity -----	101
<i>These schedules contain information to help the reader understand and assess the factors affecting the city’s ability to generate its most significant local revenue sources, the property tax and sales tax.</i>	
Debt Capacity -----	109
<i>These schedules present information to help the reader assess the affordability of the city’s current levels of outstanding debt and the city’s ability to issue additional debt in the future.</i>	
Demographic and Economic Information -----	113
<i>These schedules offer economic and demographic indicators to help the reader understand the environment within which the city’s financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.</i>	
Operating Information	116
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the city’s financial report relates to the services the city provides and the activities it performs.</i>	

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

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental activities				
Net investment in capital assets	\$ 45,090,621	\$ 44,891,313	\$ 45,307,116	\$ 45,709,098
Restricted	1,230,256	171,859	113,152	-
Unrestricted	2,006,278	3,525,295	3,528,944	3,824,687
Total governmental activities net position	<u>\$ 48,327,155</u>	<u>\$ 48,588,467</u>	<u>\$ 48,949,212</u>	<u>\$ 49,533,785</u>
Business-type activities				
Net investment in capital assets	\$ 36,204,616	\$ 35,270,060	\$ 38,682,382	\$ 36,872,572
Restricted	928,898	1,489,051	1,416,215	902,015
Unrestricted	5,036,776	5,209,990	875,035	2,119,014
Total business-type activities net position	<u>\$ 42,170,290</u>	<u>\$ 41,969,101</u>	<u>\$ 40,973,632</u>	<u>\$ 39,893,601</u>
Primary government				
Net investment in capital assets	\$ 81,295,237	\$ 80,161,373	\$ 83,989,498	\$ 82,581,670
Restricted	2,159,154	1,660,910	1,529,367	902,015
Unrestricted	7,043,053	8,735,285	4,403,979	5,943,701
Total primary government net position	<u>\$ 90,497,444</u>	<u>\$ 90,557,568</u>	<u>\$ 89,922,844</u>	<u>\$ 89,427,386</u>

*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

<u>2015*</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 45,242,694	\$ 44,224,393	\$ 43,505,785	\$ 42,516,077	\$ 41,626,875	\$ 40,385,066
215,700	175,473	126,480	996,976	3,056,647	5,040,193
193,261	1,239,675	2,835,998	4,658,356	5,055,458	8,680,444
<u>\$ 45,651,655</u>	<u>\$ 45,639,541</u>	<u>\$ 46,468,263</u>	<u>\$ 48,171,409</u>	<u>\$ 49,738,980</u>	<u>\$ 54,105,703</u>
\$ 39,090,656	\$ 36,416,043	\$ 34,697,745	\$ 32,386,012	\$ 32,997,042	\$ 32,285,129
740,360	903,915	903,915	902,065	900,873	902,823
(809,813)	1,161,704	3,948,839	8,053,852	11,351,809	13,799,477
<u>\$ 39,021,203</u>	<u>\$ 38,481,662</u>	<u>\$ 39,550,499</u>	<u>\$ 41,341,929</u>	<u>\$ 45,249,724</u>	<u>\$ 46,987,429</u>
\$ 84,333,350	\$ 80,640,436	\$ 78,203,530	\$ 74,902,089	\$ 74,623,917	\$ 72,670,195
956,060	1,079,388	1,030,395	1,899,041	3,957,520	5,943,016
(616,552)	2,401,379	6,784,837	12,712,208	16,407,267	22,479,921
<u>\$ 84,672,858</u>	<u>\$ 84,121,203</u>	<u>\$ 86,018,762</u>	<u>\$ 89,513,338</u>	<u>\$ 94,988,704</u>	<u>\$ 101,093,132</u>

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Expenses				
Primary government:				
Governmental activities:				
General government	\$ 2,429,215	\$ 2,819,021	\$ 2,579,432	\$ 2,787,319
Judicial	426,155	439,396	464,156	489,298
Public safety	11,321,340	9,863,394	9,787,757	9,927,371
Public Works	2,875,882	2,476,406	2,760,779	2,581,340
Housing and development	1,979,711	1,838,628	1,573,491	2,255,583
Health and welfare	625,795	684,546	669,911	743,587
Culture and recreation	889,866	791,773	866,305	864,952
Interest and fiscal changes	407,888	386,593	366,568	334,092
Total governmental activities expenses	<u>20,955,852</u>	<u>19,299,757</u>	<u>19,068,399</u>	<u>19,983,542</u>
Business-type activities:				
Water and sewer	9,268,587	9,185,009	9,391,144	9,285,371
Sanitation	2,516,038	2,644,447	2,609,542	2,756,948
Stormwater utility	1,054,997	1,218,301	1,257,788	1,317,097
Transit	1,750,776	1,525,441	999,418	862,768
Fort Stewart Grounds Maintenance	-	-	-	-
Total business-type activities expenses	<u>14,590,398</u>	<u>14,573,198</u>	<u>14,257,892</u>	<u>14,222,184</u>
Total primary government expenses	<u>35,546,250</u>	<u>33,872,955</u>	<u>33,326,291</u>	<u>34,205,726</u>
Program revenues				
Primary government:				
Governmental activities:				
Charges for services				
General government	789,678	997,898	1,078,032	1,105,783
Judiciary	98,349	102,504	92,582	100,641
Public safety	994,721	1,330,070	1,224,357	1,304,429
Public works	66,002	93,298	16,460	17,721
Housing and development	210,411	300,711	338,576	387,775
Operating grants and contributions	1,022,543	1,052,162	789,032	920,415
Capital grants and contributions	6,728,453	1,939,196	2,035,426	2,287,199
Total governmental activities program revenues	<u>9,910,157</u>	<u>5,815,839</u>	<u>5,574,465</u>	<u>6,123,963</u>
Business-type activities:				
Charges for services	10,912,645	12,503,738	12,086,334	12,217,064
Operating grants and contributions	739,949	604,998	556,466	418,520
Capital grants and contributions	3,819,981	46,828	432,300	-
Total business-type activities program revenues	<u>15,472,575</u>	<u>13,155,564</u>	<u>13,075,100</u>	<u>12,635,584</u>
Total primary government program revenues	<u>25,382,732</u>	<u>18,971,403</u>	<u>18,649,565</u>	<u>18,759,547</u>
Net (expense) / revenue				
Governmental activities	(11,045,696)	(13,483,918)	(13,493,934)	(13,859,579)
Business-type activities	882,177	(1,417,634)	(1,182,792)	(1,586,600)
Total primary government net (expense) / revenue	<u>(10,163,519)</u>	<u>(14,901,552)</u>	<u>(14,676,726)</u>	<u>(15,446,179)</u>

(Continued)

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

2015	2016	2017	2018	2019	2020
\$ 2,671,074	\$ 2,655,291	\$ 2,905,460	\$ 2,667,071	\$ 2,921,312	\$ 3,181,179
473,800	497,030	505,069	463,165	299,009	293,311
9,245,840	9,655,137	9,852,898	9,815,109	10,734,917	11,385,046
3,047,557	3,111,754	2,812,958	3,803,578	4,014,287	3,459,915
1,829,571	1,664,079	2,129,339	1,721,698	1,917,074	1,941,082
682,611	669,871	701,923	761,102	953,307	1,053,405
821,679	832,611	941,725	851,389	892,926	892,493
351,345	160,528	142,853	131,931	122,836	113,504
19,123,477	19,246,301	19,992,225	20,215,043	21,855,668	22,319,935
9,170,103	9,420,497	8,945,220	9,105,838	9,592,558	10,298,591
2,726,225	2,854,564	2,902,614	3,155,106	3,069,620	3,252,807
1,320,860	1,380,540	1,339,530	1,361,657	1,461,797	1,399,288
892,172	687,820	787,852	807,070	904,230	921,360
-	-	-	-	-	685,722
14,109,360	14,343,421	13,975,216	14,429,671	15,028,205	16,557,768
33,232,837	33,589,722	33,967,441	34,644,714	36,883,873	38,877,703
1,023,920	1,144,260	1,195,795	1,193,594	1,280,575	1,244,120
107,613	95,970	67,697	67,729	80,060	63,913
1,293,217	1,424,465	1,343,421	1,223,497	1,384,994	1,419,438
18,654	17,469	19,483	17,551	19,194	20,912
360,344	364,919	387,134	367,315	593,025	310,575
674,829	410,166	900,993	594,834	796,603	2,723,001
527,784	403,131	1,133,282	2,823,248	2,678,902	3,066,765
4,006,361	3,860,380	5,047,805	6,287,768	6,833,353	8,848,724
12,645,790	12,939,435	13,910,665	14,783,174	16,590,101	17,044,130
436,148	437,283	520,803	620,733	1,459,868	867,631
-	-	297,652	462,000	259,527	151,162
13,081,938	13,376,718	14,729,120	15,865,907	18,309,496	18,062,923
17,088,299	17,237,098	19,776,925	22,153,675	25,142,849	26,911,647
(15,117,116)	(15,385,921)	(14,744,420)	(13,927,275)	(15,022,315)	(13,471,211)
(1,027,422)	(966,703)	753,904	1,436,236	3,281,291	1,505,155
(16,144,538)	(16,352,624)	(13,990,516)	(12,491,039)	(11,741,024)	(11,966,056)

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General revenues and other changes in net position				
Governmental activities:				
Taxes	13,820,149	14,224,947	14,025,576	14,581,189
Federal and state grants and other contributions not restricted to specific functions	22,516	20,956	19,937	17,176
Investment earnings	24,800	26,474	11,372	14,983
Other revenues	51,912	49,780	118,561	22,870
Gain on sale of assets	6,091	6,745	21,049	3,425
Transfers	(637,633)	(583,675)	(143,760)	(195,494)
 Total governmental activities general revenues and other changes in net position	 <u>13,287,835</u>	 <u>13,745,227</u>	 <u>14,052,735</u>	 <u>14,444,149</u>
 Business-type activities:				
Federal and state grants and other contributions not restricted to specific functions				
Intergovernmental	145,608	565,934	88,457	-
Other revenues	55,708	57,453	61,781	305,116
Investment earnings	18,617	9,384	6,997	5,959
Transfers	637,633	583,676	143,760	195,494
 Total business type activities general revenues and other changes in net position	 <u>857,566</u>	 <u>1,216,447</u>	 <u>300,995</u>	 <u>506,569</u>
 Total primary government general revenues and other changes in net position	 <u>14,145,401</u>	 <u>14,961,674</u>	 <u>14,353,730</u>	 <u>14,950,718</u>
 Change in net position				
Governmental activities	2,242,140	261,312	558,801	584,570
Business-type activities	1,739,741	(201,189)	(881,797)	(1,080,031)
Total primary government change in net position	<u>\$ 3,981,881</u>	<u>\$ 60,123</u>	<u>\$ (322,996)</u>	<u>\$ (495,461)</u>

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

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
15,430,521	15,527,802	15,728,268	15,748,500	16,773,291	17,706,894
14,127	17,005	23,137	29,895	-	-
11,375	14,304	17,745	46,329	81,405	56,727
16,060	50,748	14,824	46,116	90,003	119,040
28,449	-	-	-	-	-
(214,891)	(209,252)	(237,632)	(240,419)	(354,813)	(44,727)
<u>15,285,641</u>	<u>15,400,607</u>	<u>15,546,342</u>	<u>15,630,421</u>	<u>16,589,886</u>	<u>17,837,934</u>
-	-	-	-	-	-
59,393	210,769	60,086	56,352	67,590	69,606
6,019	7,141	17,215	58,423	204,101	118,217
214,891	209,252	237,632	240,419	354,813	44,727
<u>280,303</u>	<u>427,162</u>	<u>314,933</u>	<u>355,194</u>	<u>626,504</u>	<u>232,550</u>
<u>15,565,944</u>	<u>15,827,769</u>	<u>15,861,275</u>	<u>15,985,615</u>	<u>17,216,390</u>	<u>18,070,484</u>
168,525	14,686	801,922	1,703,146	1,567,571	4,366,723
(747,119)	(539,541)	1,068,837	1,791,430	3,907,795	1,737,705
<u>\$ (578,594)</u>	<u>\$ (524,855)</u>	<u>\$ 1,870,759</u>	<u>\$ 3,494,576</u>	<u>\$ 5,475,366</u>	<u>\$ 6,104,428</u>

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Fund				
Nonspendable	\$ 119,806	\$ 123,225	\$ 314,514	\$ 121,357
Restricted	66,370	66,400	125,313	104,935
Assigned	2,643,487	1,648,500	1,183,070	1,160,020
Unassigned	409,060	492,934	843,414	1,367,011
Total General fund	<u>3,238,723</u>	<u>2,331,059</u>	<u>2,466,311</u>	<u>2,753,323</u>
All Other Governmental Funds				
Restricted	346,780	171,859	113,150	113,150
Assigned	215,622	268,002	379,763	383,242
Total all other governmental funds	<u>\$ 562,402</u>	<u>\$ 439,861</u>	<u>\$ 492,913</u>	<u>\$ 496,392</u>

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

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 122,219	\$ 131,619	\$ 184,598	\$ 145,541	\$ 154,847	\$ 181,297
112,550	99,123	50,130	52,519	53,246	54,606
458,699	458,699	458,699	458,699	458,699	458,699
2,238,945	2,976,351	3,654,375	4,534,152	6,354,165	10,036,137
<u>2,932,413</u>	<u>3,665,792</u>	<u>4,347,802</u>	<u>5,190,911</u>	<u>7,020,957</u>	<u>10,730,739</u>
103,150	76,350	944,456	2,219,746	3,003,401	4,985,587
383,242	393,137	404,752	510,861	441,546	449,510
<u>\$ 486,392</u>	<u>\$ 469,487</u>	<u>\$ 1,349,208</u>	<u>\$ 2,730,607</u>	<u>\$ 3,444,947</u>	<u>\$ 5,435,097</u>

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Revenues:				
Taxes	\$ 13,793,840	\$ 14,000,212	\$ 14,117,974	\$ 14,627,280
Licenses and permits	516,812	602,567	592,896	640,027
Charges for services	687,160	1,057,039	1,154,046	1,153,508
Intergovernmental	4,669,683	3,003,793	2,242,837	3,216,859
Fines, forfeitures, and fees	825,363	1,093,684	895,463	1,001,938
Interest revenues	24,800	26,473	11,372	14,983
Other revenues	180,761	149,032	125,756	132,872
Total revenues	<u>20,698,419</u>	<u>19,932,800</u>	<u>19,140,344</u>	<u>20,787,467</u>
Expenditures:				
Current:				
General government	2,305,062	2,547,978	2,327,486	2,436,995
Judicial	422,570	434,225	463,732	489,280
Public safety	10,677,842	9,581,411	9,580,853	9,703,697
Public works	1,950,677	1,496,661	1,926,623	1,523,233
Health and welfare	627,265	682,784	667,298	744,207
Culture and recreation	528,547	441,882	516,627	510,700
Housing and development	1,518,104	1,370,243	1,282,834	1,695,689
Capital outlay	8,058,381	1,615,917	333,171	1,146,265
Debt service:				
Principal	895,000	1,045,000	820,000	830,000
Interest and fiscal charges	413,676	381,233	359,360	339,070
Issuance costs	-	-	-	-
Intergovernmental Assistance	1,984,350	788,741	638,380	885,769
Total expenditures	<u>29,381,474</u>	<u>20,386,075</u>	<u>18,916,364</u>	<u>20,304,905</u>
Excess (deficiency) of revenues over (under) expenditures	(8,683,055)	(453,275)	223,980	482,562
Other financing sources (uses)				
Proceeds from the sale of capital assets	6,091	6,745	21,051	3,425
Transfers in	409,152	190,548	433,896	436,333
Transfers out	(1,046,785)	(774,223)	(577,656)	(631,827)
Insurance Recoveries	-	-	87,036	-
Total other financing sources (uses)	<u>(631,542)</u>	<u>(576,930)</u>	<u>(35,673)</u>	<u>(192,069)</u>
Net change in fund balances	<u>\$ (9,314,597)</u>	<u>\$ (1,030,205)</u>	<u>\$ 188,307</u>	<u>\$ 290,493</u>
Debt service as a percentage of noncapital expenditures				
	6.42%	7.61%	6.47%	6.16%

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

continued

2015	2016	2017	2018	2019	2020
\$ 15,494,583	\$ 15,566,083	\$ 15,790,940	\$ 15,723,781	\$ 16,794,649	\$ 17,642,516
631,973	660,685	701,765	656,531	846,456	588,310
1,166,165	1,238,511	1,271,603	1,351,997	1,394,296	1,302,794
1,202,270	824,700	2,249,470	3,442,632	3,434,943	5,757,959
979,319	1,037,609	945,535	790,149	1,033,348	1,100,755
11,375	14,304	17,745	46,330	117,040	86,108
116,711	132,278	100,575	130,680	177,824	196,249
<u>19,602,396</u>	<u>19,474,170</u>	<u>21,077,633</u>	<u>22,142,100</u>	<u>23,798,556</u>	<u>26,674,691</u>
2,515,770	2,462,081	2,736,332	2,539,817	2,667,362	2,919,721
487,142	506,583	506,101	476,210	300,920	287,789
9,464,265	9,893,703	10,104,362	10,120,127	10,848,313	11,052,926
1,607,665	1,645,126	1,515,733	1,623,466	1,699,598	1,866,419
697,513	678,024	703,449	770,010	949,845	1,048,531
466,919	457,749	556,603	474,183	525,003	495,621
1,483,759	1,310,841	1,730,534	1,448,479	1,559,787	1,610,102
624,338	397,314	192,353	1,079,305	1,208,480	506,380
845,000	296,149	313,673	324,557	333,575	342,844
350,084	162,550	145,027	134,142	125,123	115,855
-	-	-	-	-	-
704,409	738,324	774,102	686,877	681,351	683,845
<u>19,246,864</u>	<u>18,548,444</u>	<u>19,278,269</u>	<u>19,677,173</u>	<u>20,899,357</u>	<u>20,930,033</u>
355,532	925,726	1,799,364	2,464,927	2,899,199	5,744,658
28,449	-	-	-	-	-
424,420	309,792	337,164	362,868	280,073	230,128
(639,311)	(519,044)	(574,797)	(603,287)	(634,886)	(274,854)
-	-	-	-	-	-
(186,442)	(209,252)	(237,633)	(240,419)	(354,813)	(44,726)
<u>\$ 169,090</u>	<u>\$ 716,474</u>	<u>\$ 1,561,731</u>	<u>\$ 2,224,508</u>	<u>\$ 2,544,386</u>	<u>\$ 5,699,932</u>
6.32%	2.52%	2.46%	2.38%	2.26%	2.23%

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

Tax Digest Year	Real Property		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
	Residential	Commercial								
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%
2017 ⁽¹⁾	434,646,237	192,757,630	2,078,806	13,686,650	11,702,212	(27,819,144)	627,052,391	10.75	1,567,630,978	40%
2018 ⁽¹⁾	445,603,281	191,003,242	2,048,032	11,402,470	12,194,673	(33,146,932)	629,104,766	10.70	1,572,761,915	40%
2019 ⁽¹⁾	461,258,929	192,705,696	2,017,609	8,878,050	12,945,164	(37,563,883)	640,241,565	10.50	1,600,603,913	40%

(1) Source: Liberty County Tax Commissioner

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

Tax Digest Year	Total Millage Rate	City of Hinesville	Liberty County	Board of Education	Industrial Authority	Hospital Authority	State of Georgia
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	-
2017	46.116	10.750	13.850	15.666	2.000	3.850	-
2018	46.878	10.700	13.835	16.500	2.000	3.843	-
2019	47.141	10.500	14.440	16.358	2.000	3.843	-

Source: Liberty County Tax Commissioner

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

Taxpayer	2019 Tax Digest			2009 Tax Digest		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Georgia Power Company	\$ 10,779,506	1	1.73%	\$ 6,320,348	1	1.33%
Tattersall Village Apts	7,328,246	2	1.18%	-		-
1300 Independence Place	5,549,251	3	0.89%	-		-
Wal-Mart Real Estate	4,718,158	4	0.76%	3,933,329	2	0.83%
Comcast Cablevision	4,172,740	5	0.67%	-		-
JT Hinesville LP	3,952,204	6	0.63%	-		-
Walmart Stores East	3,408,442	7	0.55%	3,356,098	3	-
Liberty Square	2,869,242	8	0.46%	-		-
Wyn Grove Apartments	2,524,487	9	0.41%	2,830,475		0.60%
Lowes Center, LLC	2,408,037	10	0.39%	2,067,404	9	-
Hinesville Retail Investors	-		-	3,165,088	4	0.67%
Lowes Home Centers	-		-	2,778,017	5	0.58%
The Hinesville Group	-		-	2,512,340	6	0.53%
Raintree Associates LTD	-		-	2,488,595	7	0.52%
WLN Development	-		-	2,089,789	8	0.44%
Horsecreek Partners	-		-	2,054,722	10	0.43%
Total	\$ 47,710,313		7.66%	\$ 33,596,205		5.93%

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

<u>Tax Year</u>	<u>Taxes Levied</u>	<u>Errors, Releases or Adjustments</u>	<u>Adjusted Tax Levy</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
				<u>Amount</u>	<u>% of Levy</u>		<u>Amount</u>	<u>% of Levy</u>
2010	5,155,167	(13,200)	5,141,967	4,967,624	96.61%	167,127	5,134,751	99.86%
2011	5,288,783	(41)	5,288,742	5,080,985	96.07%	204,428	5,285,413	99.94%
2012	5,904,662	(24,307)	5,880,355	5,670,199	96.43%	208,036	5,878,235	99.96%
2013	6,273,751	(150,324)	6,123,426	5,958,723	97.31%	161,896	6,120,619	99.95%
2014	6,538,865	(82,613)	6,456,252	6,293,023	97.47%	157,113	6,450,136	99.91%
2015	6,421,496	(71,793)	6,349,703	6,255,445	98.52%	82,957	6,338,402	99.82%
2016	6,227,110	(47,053)	6,180,057	6,092,900	98.59%	76,856	6,169,756	99.83%
2017	6,207,598	(137,858)	6,069,740	6,028,026	99.31%	27,287	6,055,314	99.76%
2018	6,185,443	(44,988)	6,140,455	6,084,637	99.09%	27,729	6,112,366	99.54%
2019	6,171,458	(35,443)	6,136,015	6,082,701	99.13%		6,082,701	99.13%

Source: Liberty County Tax Commissioner

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
January	\$ 343,157	\$ 332,999	\$ 261,994	\$ 261,020	266,204
February	368,479	356,869	343,330	292,382	284,642
March	367,935	382,608	315,621	314,874	266,474
April	356,909	339,411	266,344	279,745	280,220
May	346,457	341,352	280,246	291,239	284,390
June	375,718	350,028	286,869	286,409	293,808
July	369,289	349,351	305,581	292,715	303,645
August	370,314	334,425	383,121	292,388	294,338
September	360,406	328,283	279,687	288,794	299,112
October	314,198	316,440	264,256	289,435	278,486
November	324,260	306,122	279,612	281,209	275,889
December	393,222	351,168	309,012	312,866	311,082
Pro Rata Adjustment	8,646	1,076	322	1,737	428
Total	<u><u>\$ 4,298,990</u></u>	<u><u>\$ 4,090,133</u></u>	<u><u>\$ 3,575,996</u></u>	<u><u>\$ 3,484,813</u></u>	<u><u>\$ 3,438,717</u></u>
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
January	244,441	269,454	287,675	321,211	332,994
February	292,871	279,172	284,994	337,498	342,333
March	295,532	331,226	330,453	406,821	405,913
April	275,660	301,503	295,557	357,147	352,952
May	271,471	300,813	298,473	365,433	369,887
June	284,358	315,432	326,172	370,338	383,562
July	274,709	308,906	306,435	373,166	375,449
August	273,711	290,451	305,068	365,939	818,180
September	270,335	295,536	298,426	345,289	384,675
October	280,987	284,572	306,357	342,019	446,080
November	283,806	301,853	320,576	346,797	393,950
December	268,153	332,503	369,392	376,339	471,350
Pro Rata Adjustment	1,426	871	1,225	2,776	966
Total	<u><u>\$ 3,317,460</u></u>	<u><u>\$ 3,612,293</u></u>	<u><u>\$ 3,730,804</u></u>	<u><u>\$ 4,310,772</u></u>	<u><u>\$ 5,078,291</u></u>

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

Fiscal Years ended October 31,	Water		Sewer	
	Gallons	Charge	Gallons	Charge
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]
2018-2020	up to 3,000	\$14.12	up to 5,000	\$14.12
	3,001 - 7,000	\$14.12+\$2.20 x [(consumption/1,000)-5]	5,001 - 7,000	\$14.12+\$2.20 x [(consumption/1,000)-5]
	7,001 - 12,000	\$22.92+\$2.43 x [(consumption/1,000)-7]	7,001 - 12,000	\$18.52+\$2.43 x [(consumption/1,000)-7]
	12,001 - 20,000	\$35.07+\$2.67 x [(consumption/1,000)-12]	12,001 - 20,000	\$30.67+\$2.67 x [(consumption/1,000)-12]
	20,001 - Over	\$56.43+\$3.35 x [(consumption/1,000)-20]	20,001 - Over	\$52.03+\$3.35 x [(consumption/1,000)-20]

Source: City of Hinesville Water Department

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

Fiscal Year Ended October 31,	Total Water Customers	Daily Water Consumption		Total Sewer Customers	Daily Sewer Consumption		Annual Water Consumption by Type (in thousands of gallons)			
		Peak (MGD)	Average (MGD)		Peak (MGD)	Average (MGD)	Residential	Industrial	Commercial	Government
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
2018	10,960	3.481	3.074	10,792	5.767	4.704	753,902	1,068	192,820	55,701
2019	11,260	3.840	3.456	11,099	5.031	4.143	873,900	1,792	211,335	11,910
2020	11,493	3.878	3.454	11,298	5.215	3.232	861,355	6,644	202,180	20,321

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
Independence Place	190,667	63,747	63,694	127,440
Liberty Regional Hospital	183,164	61,233	61,180	122,413
Summerwind Condos	174,692	58,395	58,342	116,737
Tattersall Village	112,505	38,065	38,017	76,082
Liberty County Jail	105,275	35,140	35,088	70,228
Raintree Apartments	103,944	35,287	35,248	70,535
Shady Oaks MHP	98,226	32,779	32,726	65,505
Pineland Square Apts	82,024	27,351	27,298	54,650
Happy Acres MHP	81,070	27,374	27,330	54,705
Libert Co Bd of Ed	79,157	26,391	26,338	52,729
Totals	<u>1,210,724</u>	<u>\$ 405,763</u>	<u>\$ 405,261</u>	<u>\$ 811,024</u>

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
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
2018	627,052,391	62,705,239	-	62,705,239	0.00
2019	629,104,766	62,910,477	-	62,910,477	0.00
2020	640,241,565	64,024,157	-	64,024,157	0.00

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

Fiscal Years Ended October 31,	Governmental Activities			Business-type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	Refunding Revenue Bonds	Certificates of Participation	Notes Payable	Revenue Bonds	Notes & Capital Leases Payable			
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	1.49%	503
2017	5,000,178	-	-	6,509,602	27,670,311	39,180,091	1.80%	607
2018	4,675,619	-	-	5,725,299	33,868,263	44,269,181	2.04%	697
2019	4,342,057	-	-	4,927,375	34,818,494	44,087,926	2.07%	717
2020	3,999,200	-	-	4,120,242	35,798,368	43,917,810	1.99%	703

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, 2020

Jurisdiction	Amount of Authorized Overlapping Debt	Amount of Outstanding Debt as of 10/31/2020	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	\$ 3,999,200	100.00%	\$ 3,999,200
Subtotal direct debt				<u>3,999,200</u>
Liberty County, Georgia - Overlapping Debt				
Liberty County Projects Corporation, 2011 Series	4,772,039	3,367,561	42.96%	1,446,575
Public Facilities Authority Bonds, 2016 Series A	2,931,746	2,218,186	42.96%	952,847
Public Facilities Authority Bonds, 2016 Series B	1,404,608	1,111,812	42.96%	477,592
Public Facilities Authority Bonds, 2016 Series V	3,113,965	2,807,820	42.96%	1,206,132
Public Facilities Authority Bonds, 2017 Series	16,821,000	13,818,529	42.96%	5,935,909
Subtotal overlapping debt				<u>10,019,054</u>
Total direct and overlapping debt				<u><u>\$ 14,018,254</u></u>

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						
Fiscal Year	Utility Service Charges	Less: Operating Expenses ^(a)	Net Available Revenue	Debt Service ^(b)		Coverage Ratio
				Principal	Interest	
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
2018	10,109,787	6,910,899	3,198,888	775,000	131,565	3.53
2019	11,908,997	7,438,315	4,470,682	790,000	112,065	4.96
2020	11,603,824	7,485,403	4,118,421	800,000	100,873	4.57

^(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
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	2,106,985	33,730	27	5.90%	313	9,874	N/A
2017	64,510	2,174,356	33,706	27	1.00%	323	10,014	N/A
2018	63,482	2,174,356	34,252	27	2.00%	310	10,079	N/A
2019	61,497	2,125,524	34,563	27	3.80%	309	10,045	N/A
2020	62,478	2,205,147	35,295	27	5.20%	273	10,252	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

	<u>City of Hinesville</u>	<u>Liberty County</u>	<u>State of Georgia</u>	<u>National</u>
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

Business	2020			2010		
	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	3,482	1	16.23%	2,696	1	11.41%
SNF, Inc.	1,700	2	6.76%	936	3	3.96%
Liberty County Board of Education	1,479	3	6.57%	1,493	2	6.32%
Target	700	4	2.75%	470	6	1.99%
Wal-Mart Super Center	375	5	2.66%	475	5	2.01%
Liberty County Board of Commissioners	365	6	2.29%	333	7	1.41%
Liberty County Regional Medical Center	325	7	1.89%	525	4	2.22%
Howmet	296	8	1.79%			0.97%
DS Smith Paper Mill	247	9	1.10%			
City of Hinesville	214	10	0.89%	215	10	0.89%
Interstate Paper				230	8	0.97%
The Heritage Bank				211	9	0.93%
Totals	9,183		42.93%	7,584		33.08%

(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	Municipal Court	Fire Department	Inspections	Total
2011	33	107	7	49	14	210
2012	34	109	7	49	14	213
2013	33	108	7	49	14	211
2014	34	107	7	49	14	211
2015	34	104	7	49	14	208
2016	34	107	7	49	14	211
2017	34	108	7	50	14	213
2018	33	106	7	50	14	210
2019	35	110	4	50	15	214
2020	36	110	4	50	14	214

Source: City of Hinesville Human Resource Department

Note: In fiscal year 2019 probation was removed from municipal court and included in the police department.

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

Function	2011	2012	2013	2014
Police				
Citations issued ⁽¹⁾	9,991	12,566	10,501	11,424
DUI Citations issued ⁽¹⁾	110	112	126	96
Warnings issued ⁽¹⁾	4,663	5,135	4,540	4,712
Crime Statistics: ⁽²⁾				
Aggravated Assault	37	125	88	139
Auto Theft	57	46	69	46
Murder	1	1	4	1
Rape	14	22	10	7
Robbery	49	34	43	35
Burglary	521	425	371	353
Theft	1,112	1,117	1,117	1,147
Fire ⁽³⁾				
Incident responses	3,853	3,463	3,074	3,260
Public Safety Education				
Events	301	280	294	425
Persons contacted	15,871	48,811	49,377	42,058

(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

2015	2016	2017	2018	2019	2020
12,225	10,826	10,735	8,898	10,694	12,445
86	149	130	111	90	146
6,738	5,773	5,096	5,006	6,559	7,019
83	154	166	125	121	188
48	36	56	44	27	33
1	1	2	1	2	2
9	14	21	11	11	5
25	49	33	33	23	22
223	209	244	230	149	121
1,002	1,071	1,051	1,015	865	642
3,343	3,539	3,558	2,723	2,698	2,174
359	450	427	415	334	105
49,817	34,123	26,628	31,233	27,899	9,763

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

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	86	86	61	90	83	83	98	101	103	86
Fire										
Fire stations	2	2	2	2	2	2	2	2	2	2
Units (SUV, Cars)	9	9	9	9	8	9	16	14	15	15
Dive Van	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	-	-	-	-
Public works										
Streets owned & maintained (miles) ^a	0.65	0.06	0.65	0.65	1.77	1.77	1.81	1.81	1.81	1.88
Right-of-ways maintained (miles) ^a	1.55	1.55	1.55	1.55	1.89	1.89	1.93	1.93	1.93	2.01
Trucks	23	23	26	26	11	11	11	11	11	11
Heavy Equip	21	21	23	23	18	18	18	18	18	18
Water										
Service trucks	7	7	7	7	7	7	7	7	7	7
Fire hydrants	1,228	1,249	1,264	1,282	1,303	1,318	1,304	1,342	1,305	1,312
Storage capacity (millions of gallons) ^b	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.25	4.25	4.25
Wastewater										
Treatment capacity per day (millions of gallons) #1	7.15	7.15	7.15	7.15	7.15	7.15	3.36	3.36	3.36	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	8	8	7	7	7	7	7	7
Other collection trucks ^c	10	10	11	11	8	8	6	6	6	6
Transit										
Buses	9	9	9	9	9	9	9	9	10	10

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
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
2018	174	177.00	177.00	7	36.00	19.91
2019	240	380.50	486.80	3	87.33	41.20
2020	136	325.22	312.00	14	162.01	53.92

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, 2020**

Federal/Grantor/Pass-Through Grantor/Program or Cluster Title	Grant Identifying Number	Federal CFDA Number	Federal Expenditures
U.S. Department of Housing and Urban Development			
Direct Programs:			
2018 Continuum of Care	GA0320L4B011803	14.267	105,879
2019 Continuum of Care	GA0320L4B011904	14.267	5,875
<i>Total Continuum of Care Grants</i>			<u>111,754</u>
CDBG Entitlement Cluster			
Community Development Block Grant-Entitlement Grant	B-17-MC-13-0013	14.218	21,453
Community Development Block Grant-Entitlement Grant	B-18-MC-13-0013	14.218	12,227
Community Development Block Grant-Entitlement Grant	B-19-MC-13-0013	14.218	109,486
Community Development Block Grant-Entitlement Grant	B-20-MC-13-0013	14.218	18,757
<i>Total CDBG Entitlement Grants</i>			<u>161,923</u>
CDBG Coronavirus - Small Business Recovery CDBG-CV1	B-20-MW-13-0013	21.019	36,510
<i>Total Coronavirus Grants</i>			<u>36,510</u>
Total Direct Programs			<u>310,187</u>
Pass through Georgia Department of Community Affairs			
Emergency Solutions Grant (Emergency Shelter)	2019 19E EV 19C067	14.231	50,000
Emergency Solutions Grant (Homeless Prevention)	2019 19E EP 19C065	14.231	25,258
Emergency Solutions Grant (Rapid Re-housing)	2019 19E ER 19C066	14.231	29,998
Emergency Solutions Grant (Coordinated Entry)	2019 EI 19C068	14.231	10,635
<i>Total Emergency Solutions Grants</i>			<u>115,891</u>
Community HOME Investment Program (CHIP)	2018-109	14.239	309,888
<i>Total Community HOME Investment Grants</i>			<u>309,888</u>
Total Pass-through Programs			<u>425,779</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 735,966</u>
U.S. Department of Justice			
Direct Programs:			
2017 Ed Byrne Memorial	2017-DJ-BX-0765	16.738	3,267
2019 Ed Byrne Memorial	2019-DJ-BX-0462	16.738	11,013
<i>Total Ed Byrne Memorial Grants</i>			<u>14,280</u>
2019 Body Worn Camera	2019-BC-BX-0032	16.835	18,000
<i>Total Body Worn Camera Grants</i>			<u>18,000</u>
2020 Coronavirus Emergency Supplemental Funding	2020-VD-BX-1150	16.034	23,553
<i>Total Coronavirus Emergency Supplemental Grants</i>			<u>23,553</u>
Total Direct Programs			<u>55,833</u>
Total U.S. Department of Justice			<u>\$ 55,833</u>

CITY OF HINESVILLE, GEORGIA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2020**

<u>Federal/Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Grant Identifying Number</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
<u>U.S. Environmental Protection Agency</u>			
Clean Water State Revolving Fund Cluster			
Capitalization Grants for Clean Water-State Revolving Loan Funds-(Loan)	CWSRF 19-022	66.458	103,018
<i>Total Clean Water State Revolving Fund Cluster</i>			<u>103,018</u>
Total U.S. Environmental Protection Agency			<u>\$ 103,018</u>
<u>U.S. Department of Commerce</u>			
Pass through U.S. Economic Development Administration			
2017 EDA Business Incubator	04-79-07284	11.300	21,036
<i>Total Economic Development Administration Grants</i>			<u>21,036</u>
Total Pass-through Programs			<u>21,036</u>
Total U.S. Department of Commerce			<u>\$ 21,036</u>
<u>U.S. Department of Transportation</u>			
Pass through Georgia Department of Transportation			
Federal Transit Cluster			
2020 Section 5307 Operating Assistance	T006116 / GA-90-X334-02	20.507	33,608
2020 Section 5307 Capital Contracting Cost	T006116 / GA-90-X334-02	20.507	34,150
2020 Section 5307 Capital Improvement Assistance	T006116 / GA-90-X334-02	20.507	6,404
2021 Section 5307 Operating Assistance	T006116/GA-90-X396	20.507	419,885
2021 Section 5307 Capital Contracting Cost	T006116/GA-90-X396	20.507	289,147
2021 Section 5307 Capital Improvement Assistance	T006116/GA-90-X396	20.507	72,015
<i>Total Federal Transit Grants</i>			<u>855,209</u>
2020 Transportation Alternative Program	00-153-93	20.205	72,608
<i>Total Transportation Alternative Grants</i>			<u>72,608</u>
Total Pass-through Programs			<u>927,817</u>
Total U.S. Department of Transportation			<u>\$ 927,817</u>
<u>U.S. Department of the Treasury</u>			
Pass through Georgia Governor's Office of Planning and Budget			
CARES Act - Coronavirus Relief Fund		21.019	1,741,765
<i>Total CARES Act Grants</i>			<u>1,741,765</u>
Total Pass-through Programs			<u>1,741,765</u>
Total U.S. Department of the Treasury			<u>\$ 1,741,765</u>
Total Expenditures of Federal Awards			<u>\$ 3,585,435</u>

CITY OF HINESVILLE, GEORGIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2020

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Hinesville, Georgia and is presented on the modified accrual basis of accounting.

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

NOTE 2 – PROGRAM COSTS/MATCHING CONTRIBUTIONS

The amounts shown as current year expenses represent only the federal grant portion of the program costs. Entire program costs, including the City of Hinesville, Georgia’s local matching share, may be more than shown. Such expenditures are recognized following, as applicable, either the cost principles in the OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - SUBRECIPIENTS

Of the federal expenditures presented in this schedule, the City of Hinesville, Georgia provided federal awards to subrecipients as follows:

<u>Program Name</u>	<u>Federal CFDA No.</u>	<u>Amount Provided to Subrecipients</u>
Community Development Block Grants - Entitlement Grants	14.218	\$ 37,315

NOTE 4 – DE MINIMIS INDIRECT COST RATE

The City of Hinesville, Georgia elected not to use the 10% de minimis indirect cost rate for the year ended October 31, 2020.



HINESVILLE
GEORGIA

CITY OF HINESVILLE, GEORGIA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2020

STATUS OF PRIOR YEAR AUDIT FINDINGS

None reported.



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
City of Hinesville, Georgia
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 aggregate discretely presented component units, 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, 2020, 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, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the 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.

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "Mauldin & Jenkins, LLC".

Savannah, Georgia
April 23, 2021



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
City of Hinesville, Georgia
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, 2020. 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 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, 2020.

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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or 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.

Savannah, Georgia
April 23, 2021

Mauldin & Jenkins, LLC

CITY OF HINESVILLE, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED OCTOBER 31, 2020

SECTION I SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued Unmodified

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

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

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:
Material weaknesses identified? Yes No

Significant deficiencies identified not considered
to be material weaknesses? Yes 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 No

Identification of major program:

CFDA Number
21.019

Name of Federal Program or Cluster
U.S. Department of the Treasury
Coronavirus Relief Fund

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

Auditee qualified as low-risk auditee? Yes No

CITY OF HINESVILLE, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2020

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.