

# HINESVILLE

GEORGIA

*"Home for a Day or a Lifetime"*

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE FISCAL YEAR  
ENDED OCTOBER 31, 2021**

Prepared by:  
City of Hinesville  
Finance Department



HINESVILLE  
GEORGIA

**CITY OF HINESVILLE, GEORGIA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
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HINESVILLE  
GEORGIA

# INTRODUCTORY SECTION



**MAYOR**  
Allen Brown

**CITY MANAGER**  
Kenneth K. Howard

**CITY CLERK**  
Sarah Lumpkin

**CITY ATTORNEY**  
Linnie L. Darden, III



*Kimberly Ryon, Chief Financial Officer*

**MAYOR PRO TEM**  
Keith Jenkins

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

April 29, 2022

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

We are pleased to present the Annual Comprehensive Financial Report of the City of Hinesville, Georgia (the "City") for the fiscal year ended October 31, 2021 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, 2021.

The Annual Comprehensive 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, 2021 are free of material misstatement. The independent audit involved

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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, 2021 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, 2021. 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 2020 census the City has an estimated population just over 34,000, is 20.37 square miles and consists of 13,036.8 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 34,891 (2020 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 2021, the Department issued 55,159 case numbers which are assigned to police activities including calls for service, walk and talks, direct patrols, assist citizens, etc. Officers responded to 18,708 calls for service including the following Part I crimes: 192 aggravated assault cases, 29 cases of auto theft, 3 homicides, 14 rape cases, 27 robbery cases, 119 cases of burglary, 17 cases of arson and 153 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 223 juvenile offenders and 1,774 adult offenders during 2021. On the road, the patrol division and the traffic section worked 1,470 accidents, wrote 9,837 citations and gave 5,103 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 Liberty county fire departments, Long County Fire Department and Fort Stewart Fire Department. This department responds to an average of 2,800 emergency incidents per year with an average response time within the City Limits of six 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 ten (10).

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 the Hazard House as well as various other educational programs. The people contacted range from very young children to senior citizens in the community. Our programs are scheduled in all of Liberty County schools as well as many public and civic events around Hinesville to ensure that our community is educated in emergency procedures during a fire and also to recognize fire hazards.

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 Departments Bureau of Prevention and Education is made up of one Fire Marshal and three 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 annually. 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 1200 registered businesses, the City also issues over 1,500 licenses and permits each year. For fiscal year 2021, the business license office issued 173 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 2021 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 2021 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 Annual Comprehensive Financial Report (ACFR) for the years ended October 31, 2005, through 2020. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized Annual Comprehensive Financial Report. A Certificate of Achievement is valid for a period of one year only. We believe our current ACFR continues to meet the GFOA's Certificate of Achievement program requirements. The City plans to submit the ACFR 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 2020. 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 Annual Comprehensive 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 2021 and the preparation of this report.

Respectfully submitted,

A handwritten signature in cursive script that reads "Kimberly T. Ryon". The signature is written in black ink and is positioned below the text "Respectfully submitted,".

Kimberly T. Ryon  
Chief Financial Officer



HINESVILLE  
GEORGIA

CITY OF HINESVILLE, GEORGIA

PRINCIPAL OFFICIALS

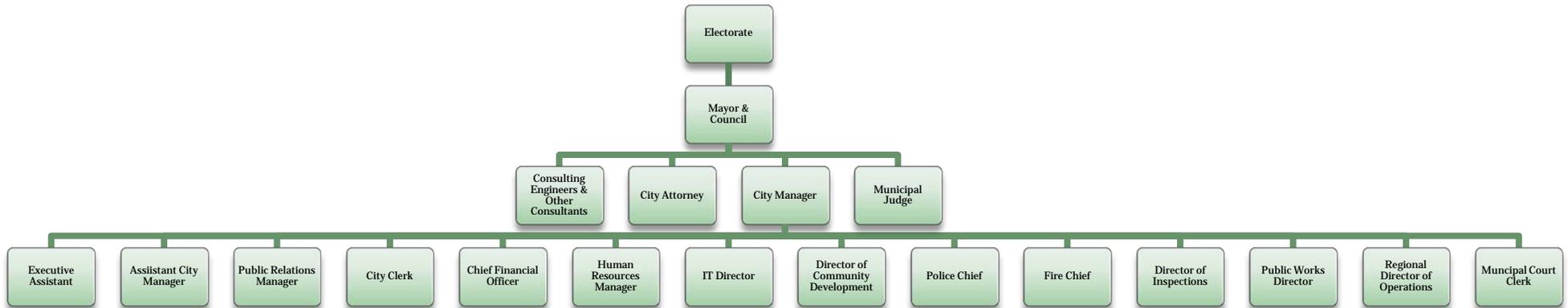
October 31, 2021

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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	Ms. Lia Jones
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 Lloyd Slater
Public Utilities Manager	Mr. Ben Morrow
Project Manager	Mr. Gary Gilliard
Director of Inspections	Mr. George Smith

# City of Hinesville

## FY 2021 Organization Chart





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Hinesville  
Georgia**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

October 31, 2020

*Christopher P. Morill*

Executive Director/CEO



HINESVILLE  
GEORGIA

# FINANCIAL SECTION



HINESVILLE  
GEORGIA



## INDEPENDENT AUDITOR'S REPORT

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**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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

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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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparisons for the General Fund and ARPA 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 72 through 75) 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 the Special Purpose Local Option Sales Tax ("SPLOST") proceeds, and the schedule of expenditures of Transportation Special Purpose Local Option Sales Tax ("TSPLOST") 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.

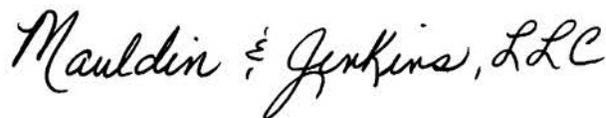
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The combining statements and schedules, the schedules of SPLOST proceeds, the schedule of TSPLOST proceeds, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying 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, the schedule of TSPLOST 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 29, 2022, 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.



Savannah, Georgia  
April 29, 2022



HINESVILLE  
GEORGIA

# MANAGEMENT'S DISCUSSION & ANALYSIS



HINESVILLE  
GEORGIA

# CITY OF HINESVILLE, GEORGIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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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, 2021. 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 \$111,413,132 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 \$74,092,786. 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 and less capital related accounts payable and retainage payable. Net investment in capital assets increased by \$1,422,591 or 1.96% in fiscal year 2021.
  - 2) Net position of \$10,460,491 are restricted by constraints imposed from outside the city such as debt covenants, grantors, laws or regulations. This is a \$4,517,475 or 76.01% increase from fiscal year 2020's restricted net position. The increase can be attributed to Capital Projects Funds (specifically SPLOST and TSPLOST).
  - 3) Unrestricted net position of \$26,859,855 represent the portion that is available to meet the City's ongoing obligations to citizens and creditors. This is a \$4,379,934 or 19.48% increase from fiscal year 2020 unrestricted net position of \$22,479,921.
- The government's total net position increased by \$10,320,000 or 10.21%.
  - Net position related to governmental activities increased by \$8,751,734. This increase can be largely attributed to the increase in capital grants. A decrease in public safety costs as a result of managing expenditures also contributed to the increase of net position.
  - Net position related to business-type activities increased by \$1,568,266. This increase is a result of increased revenue. The revenue increase is a result of increased usage not an increase of rates.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$24,747,065 an increase of \$8,581,229 in comparison with the prior year. Fund balance in the General Fund increased \$4,036,892 which was a result of increased sales tax revenue and managing expenses. Fund balance in the SPLOST and TSPLOST funds increased by \$863,895 and \$3,338,731, respectively. Fund balance nonmajor governmental funds increased by \$341,711.
- Approximately fifty-seven percent (57%) of the City's governmental funds total fund balance, or \$14,037,717, is available for spending at the government's discretion (*unassigned fund balance*).

**CITY OF HINESVILLE, GEORGIA**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**

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- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$14,037,717, or approximately seventy-four (74%) of total general fund expenditures for the fiscal year.
- The City’s total debt decreased by \$2,806,803 in fiscal year 2021.
  - Debt related to governmental activities decreased by \$352,369 as a result of principal payment on Revenue Bonds Refunding Series 2015.
  - Debt related to business-type activities decreased by a net of \$2,454,434. This detail of the change is:
    - principal payments on Water and Sewerage Revenue Bonds in the amount of \$821,209.
    - principal payments on 2009 GEFA debt for the Storm Water Utility Fund in the amount of \$96,355.
    - principal payments on 2012 GEFA debt in the Water and Sewer Fund in the amount of \$67,493.
    - principal payments on 2014 GEFA debt for upgrades to the Wastewater Treatment Plant in the Water and Sewer Fund in the amount of \$814,508.
    - principal payments on 2015 GEFA debt for the SCADA system in the Water and Sewer Fund in the amount of \$24,247.
    - principal payments on 2015 GEFA debt for the extension of reuse water lines in the Water and Sewer Fund in the amount of \$26,669.
    - principal payments on 2016 GEFA debt for the water tanks raising in the Water and Sewer Fund in the amount of \$76,130.
    - 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 \$227,973.
    - principal payments on capital leases in the Storm water Utility Fund, in the amount \$84,010.
    - principal payments on capital leases in the Fort Stewart grounds maintenance Fund, in the amount \$215,840.
- The City’s revenues for fiscal year 2021 total \$51,324,007. Of this amount, \$31,751,846, or sixty-two percent (62%), was generated from program revenues. The balance of \$19,572,161, or thirty-eight percent (38%), was generated from general revenues.
- The City’s program expenses for fiscal year 2021 total \$41,004,007. Of this amount, \$21,813,738, or fifty-three percent (53%), was generated from governmental activities. The balance of \$19,190,269, or forty-seven percent (47%), was generated from business-type activities.

# CITY OF HINESVILLE, GEORGIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### 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 40) 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

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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**

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**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 31 through 40 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 41 through 71 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, 2021 and 2020.

**City of Hinesville's Net Position**  
**October 31, 2021 and 2020**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Assets:</b>						
Assets						
Current and other assets	\$ 30,219,518	\$ 19,286,193	\$ 16,463,284	\$ 16,490,802	\$ 46,682,802	\$ 35,776,995
Capital assets, net	43,868,924	44,384,266	71,614,058	72,203,739	115,482,982	116,588,005
Total Assets	<u>74,088,442</u>	<u>63,670,459</u>	<u>88,077,342</u>	<u>88,694,541</u>	<u>162,165,784</u>	<u>152,365,000</u>
Deferred outflows of resources	<u>2,587,152</u>	<u>2,738,976</u>	<u>80,014</u>	<u>84,709</u>	<u>2,667,166</u>	<u>2,823,685</u>
<b>Liabilities:</b>						
Liabilities						
Long-term liabilities	4,349,826	4,741,125	37,483,642	39,948,171	41,833,468	44,689,296
Other liabilities	4,064,949	1,699,085	1,950,904	1,662,306	6,015,853	3,361,391
Net pension liability	3,802,645	5,042,749	117,607	155,960	3,920,252	5,198,709
Total Liabilities	<u>12,217,420</u>	<u>11,482,959</u>	<u>39,552,153</u>	<u>41,766,437</u>	<u>51,769,573</u>	<u>53,249,396</u>
Deferred inflows of resources	<u>1,600,737</u>	<u>820,773</u>	<u>49,508</u>	<u>25,384</u>	<u>1,650,245</u>	<u>846,157</u>
<b>Net position:</b>						
Net investment in capital assets						
Restricted	40,161,373	40,385,066	33,931,413	32,285,129	74,092,786	72,670,195
Unrestricted	9,558,113	5,040,193	902,378	902,823	10,460,491	5,943,016
Total net position	<u>13,137,951</u>	<u>8,680,444</u>	<u>13,721,904</u>	<u>13,799,477</u>	<u>26,859,855</u>	<u>22,479,921</u>
	<u>\$ 62,857,437</u>	<u>\$ 54,105,703</u>	<u>\$ 48,555,695</u>	<u>\$ 46,987,429</u>	<u>\$ 111,413,132</u>	<u>\$ 101,093,132</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 \$111,413,132 and \$101,093,132 at October 31, 2021 and 2020, respectively.

The largest portion of the City's net position, \$74,092,786 (67%), 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 and capital related accounts payable and retainage payable. 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, \$10,460,491 or nine percent (9%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of the City’s net position, \$26,859,855 or twenty-four percent 24%, 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 2021 and 2020:

**City of Hinesville's Changes in Net Position**

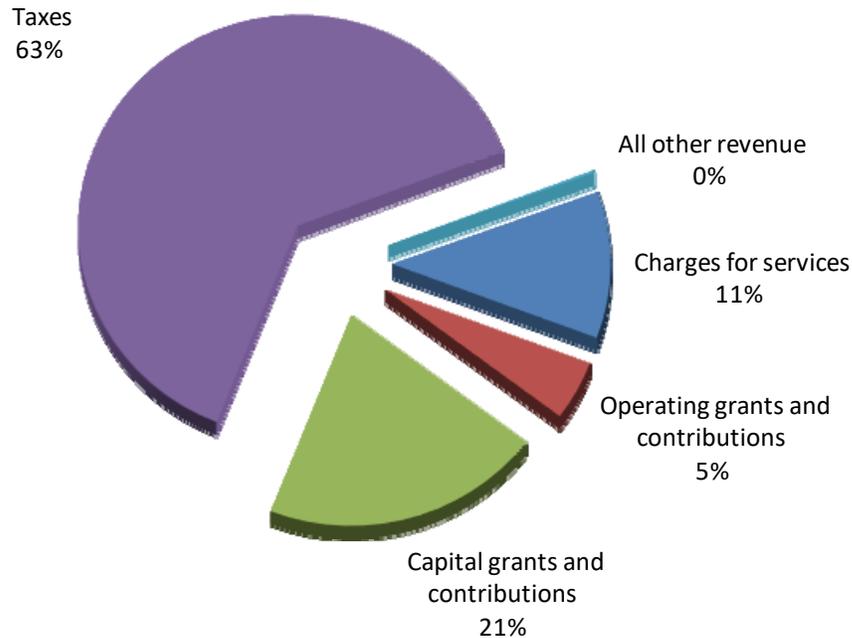
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 3,442,086	\$ 3,058,958	\$ 19,132,747	\$ 17,044,130	\$ 22,574,833	\$ 20,103,088
Operating grants and contributions	1,401,409	2,723,001	1,432,724	867,631	2,834,133	3,590,632
Capital grants and contributions	6,342,880	3,066,765	-	151,162	6,342,880	3,217,927
General revenues:						
Taxes	19,330,846	17,706,894	-	-	19,330,846	17,706,894
Federal/State Grants and other contributions not restricted	-	-	-	-	-	-
Other revenue	49,417	119,040	127,116	69,606	176,533	188,646
Unrestricted Investment earnings	18,819	56,727	45,963	118,217	64,782	174,944
Total revenues	<u>30,585,457</u>	<u>26,731,385</u>	<u>20,738,550</u>	<u>18,250,746</u>	<u>51,324,007</u>	<u>44,982,131</u>
Expenses:						
General government	3,146,069	3,181,179	-	-	3,146,069	3,181,179
Judiciary	337,142	293,311	-	-	337,142	293,311
Public safety	10,804,520	11,385,046	-	-	10,804,520	11,385,046
Public works	3,817,145	3,459,915	-	-	3,817,145	3,459,915
Housing and development	1,891,517	1,941,082	-	-	1,891,517	1,941,082
Health and welfare	1,368,403	1,053,405	-	-	1,368,403	1,053,405
Culture and recreation	345,029	892,493	-	-	345,029	892,493
Interest and fiscal charges	103,913	113,504	-	-	103,913	113,504
Water and sewer	-	-	10,660,140	10,298,591	10,660,140	10,298,591
Sanitation	-	-	3,421,519	3,252,807	3,421,519	3,252,807
Stormwater utility	-	-	1,578,910	1,399,288	1,578,910	1,399,288
Transit	-	-	1,055,519	921,360	1,055,519	921,360
Fort Stewart Grounds Maintenance	-	-	2,474,181	685,722	2,474,181	685,722
Total expenses	<u>21,813,738</u>	<u>22,319,935</u>	<u>19,190,269</u>	<u>16,557,768</u>	<u>41,004,007</u>	<u>38,877,703</u>
Change in net position before transfers	<u>8,771,719</u>	<u>4,411,450</u>	<u>1,548,281</u>	<u>1,692,978</u>	<u>10,320,000</u>	<u>6,104,428</u>
Transfers	<u>(19,985)</u>	<u>(44,727)</u>	<u>19,985</u>	<u>44,727</u>	<u>-</u>	<u>-</u>
Change in net position	<u>8,751,734</u>	<u>4,366,723</u>	<u>1,568,266</u>	<u>1,737,705</u>	<u>10,320,000</u>	<u>6,104,428</u>
Net position, beginning 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>
Net position, end of year	<u>\$ 62,857,437</u>	<u>\$ 54,105,703</u>	<u>\$ 48,555,695</u>	<u>\$ 46,987,429</u>	<u>\$ 111,413,132</u>	<u>\$ 101,093,132</u>

**CITY OF HINESVILLE, GEORGIA**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**

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**Governmental activities.** Governmental activities increased the City’s net position by \$8,751,734 and \$4,366,723 as of October 31, 2021 and 2020, respectively. As illustrated in the chart below, taxes constitute the largest single revenue line item at \$19,330,846 or sixty-three percent (63%) of total revenue in 2021 and \$17,706,894 or sixty-six percent (66%) of total revenue in 2020. Charges for services represent eleven percent (11%) of total revenue in 2021 and in 2020 at \$3,442,086 and \$3,058,958, respectively. Capital grants and contributions represent twenty-one percent (21%) and eleven percent (11%) of total revenue in 2021 and 2020 at \$6,342,880 and \$3,066,765, respectively.

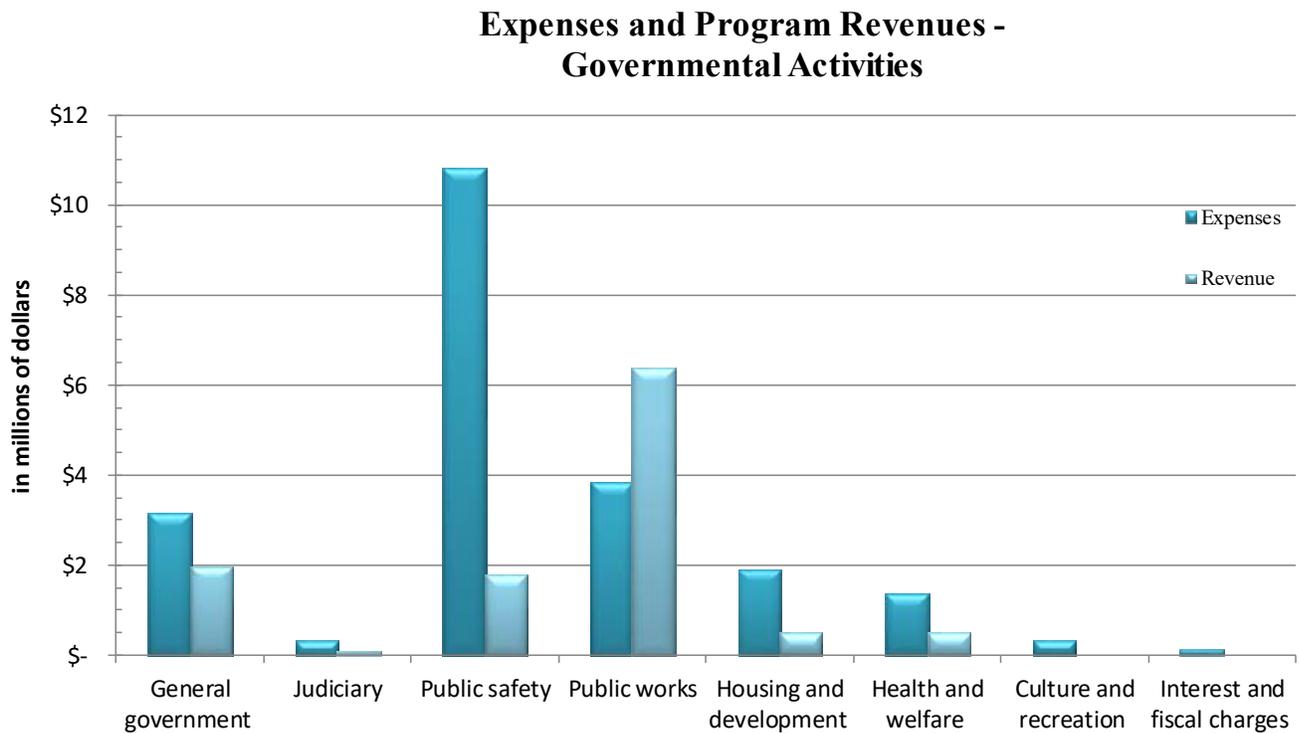
**Revenues by Source - Governmental Activities**



## 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.



**Business-type activities:** Business-type activities increased the City of Hinesville’s net position by \$1,568,266 and \$1,737,705 as of October 31, 2021 and 2020, 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 \$19,132,747 or ninety-two (92%) and operating grants and contributions are the second largest revenue source constituting \$1,432,724 or seven percent (7%) of total revenue in 2021. In 2020, 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.

# CITY OF HINESVILLE, GEORGIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### **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 \$14,037,717, while fund balance totaled \$14,767,631. 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 seventy-four percent (74%) of total General Fund expenditures, while total fund balance represents seventy-eight percent (78%) of that same amount.

At October 31, 2021, the governmental funds of City of Hinesville reported a combined fund balance of \$24,747,065. This is an increase of \$8,581,229 from October 31, 2020. Fund balance in the General Fund increased \$4,036,892 which can be attributed to managing expenditures in relation to revenues and as a result of increased sales tax receipts. Fund balance in the SPLOST and TSPLOST funds increased by \$863,895 and \$3,338,731, respectively. This is a result of receiving funds from the sales tax but expenditures for the SPLOST and TSPLOST projects have not been made. Fund balance in nonmajor governmental funds increased by \$341,711.

**CITY OF HINESVILLE, GEORGIA**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**

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**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, 2021, total actual revenues were more than total final budgeted revenues in the General Fund by \$2,185,650. The table below shows the variance by revenue type:

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

	FY 2021 Budget	FY 2021 Actual	Variance - Positive/ (Negative)
Property taxes	\$ 7.53	\$ 8.80	\$ 1.27
Sales taxes	4.45	5.43	0.98
Franchise taxes	1.73	1.67	(0.06)
Insurance premium taxes	2.77	2.76	(0.01)
Other taxes	0.47	0.51	0.04
Licenses and permits	0.68	0.62	(0.06)
Charges for services	1.54	1.56	0.02
Intergovernmental	0.16	0.13	(0.03)
Fines, forfeitures, and fees	1.14	1.18	0.04
Interest revenues	0.05	0.02	(0.03)
Other revenues	0.10	0.13	0.03
Total revenues	<u>\$ 20.62</u>	<u>\$ 22.81</u>	<u>\$ 2.19</u>

In fiscal year 2021, the budgeted revenue increase can largely be attributed to property tax revenues (\$1,270,716) and sales tax (\$980,741). The City did experience some growth in our property tax digest; however, increased collection was much of the variance in the budgeted revenue. We also have continued to experience a larger than expected growth in our sales tax revenue in fiscal year 2021. 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**

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Total actual expenditures were less than total budgeted expenditures in the General Fund by \$1,593,777 at October 31, 2021.

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

	FY 2021 Budget	FY 2021 Actual	Variance - Positive/ (Negative)
	<u>          </u>	<u>          </u>	<u>          </u>
General government	\$ 3.11	\$ 2.95	\$ 0.16
Judicial	0.36	0.34	0.02
Public safety	11.90	10.78	1.12
Public works	1.80	1.85	(0.05)
Health and welfare	0.68	0.56	0.12
Culture and recreation	0.54	0.52	0.02
Housing and development	1.38	1.19	0.19
Intergovernmental	0.67	0.65	0.02
	<u>          </u>	<u>          </u>	<u>          </u>
Total expenditures	<u>\$ 20.44</u>	<u>\$ 18.84</u>	<u>\$ 1.60</u>

In fiscal year 2021, the largest variance in budget to actual expenditures was in public safety. This variance is largely due to a reduction in salary and related expenditures as a result of vacant positions. Other variances were a result of managing expenditures in the departments. With the continued pandemic environment, we decided to continue 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 \$14,690,309 in the water and sewer fund, \$668,643 in the sanitation fund, (\$1,527,289) in the storm water utility fund, (\$106,165) in the Fort Stewart IGAs fund and (\$3,594) in non-major proprietary fund (transit). 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**

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**Capital Asset and Debt Administration**

**Capital assets.** The City of Hinesville’s investment in capital assets for its governmental and business-type activities total \$115,482,982 and \$116,588,005 (net of accumulated depreciation) as of October 31, 2021 and 2020, 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)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land	\$ 1.91	\$ 1.91	\$ 0.02	\$ 0.02	\$ 1.93	\$ 1.93
Construction in progress	1.41	0.38	1.33	0.43	2.74	0.81
Buildings & improvements	11.14	11.45	-	-	11.14	11.45
Utility plant in service	-	-	61.77	63.39	61.77	63.39
Vehicles	0.63	0.70	-	-	0.63	0.70
Heavy equipment	0.18	0.20	-	-	0.18	0.20
Equipment	0.14	0.17	3.23	3.19	3.37	3.36
Office equipment	0.02	0.04	-	-	0.02	0.04
Infrastructure	28.43	29.53	5.26	5.17	33.69	34.70
<b>Total</b>	<b>\$ 43.86</b>	<b>\$ 44.38</b>	<b>\$ 71.61</b>	<b>\$ 72.20</b>	<b>\$ 115.47</b>	<b>\$ 116.58</b>

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, 2021, the City of Hinesville had total debt outstanding of \$41,111,007. Of this, \$37,811,974 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**

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### **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, 2021. 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.

Even in the continued pandemic environment of fiscal year 2021 we have not had a negative financial impact to our local government. Our sales tax revenue (the City's second largest revenue source) continued to see growth. We recognize that we are fortunate in this and continue to be diligent in monitoring both our revenues and expenditures into fiscal year 2022.

### ***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, 2021**

	Primary Government			Component Unit	Component Unit
	Governmental Activities	Business Type Activities	Total	Downtown Development Authority	Hinesville Development Authority
<b>Assets</b>					
Cash and cash equivalents	\$ 9,718,718	\$ 9,713,286	\$ 19,432,004	\$ 617,696	\$ 58,175
Receivables, net	1,494,480	3,171,473	4,665,953	-	-
Notes receivable, net	380,677	-	380,677	-	-
Internal balances	6,548,307	(6,548,307)	-	-	-
Due from component units	579,149	-	579,149	-	-
Due from other governments	1,872,547	855,188	2,727,735	-	-
Due from primary government	-	-	-	-	70,496
Prepaid items	195,607	65,490	261,097	-	-
Restricted assets:					
Cash and cash equivalents	9,430,033	9,206,154	18,636,187	75,000	-
Assets held for resale	-	-	-	855,829	-
Capital assets:					
Nondepreciable	3,313,893	1,351,093	4,664,986	10,000	360,487
Depreciable, net of accumulated depreciation	40,555,031	70,262,965	110,817,996	21,281	-
Total assets	<u>74,088,442</u>	<u>88,077,342</u>	<u>162,165,784</u>	<u>1,579,806</u>	<u>489,158</u>
<b>Deferred outflows of resources - Pension</b>					
	<u>2,587,152</u>	<u>80,014</u>	<u>2,667,166</u>	<u>-</u>	<u>-</u>
<b>Liabilities</b>					
Accounts payable	593,092	765,040	1,358,132	3,195	3,690
Retainage payable	-	40,944	40,944	-	-
Accrued payroll	479,226	12,179	491,405	-	-
Accrued interest payable	-	8,632	8,632	-	-
Due to primary government	-	-	-	450,627	128,522
Unearned revenue	2,926,794	-	2,926,794	-	-
Payable from restricted assets:					
Customer deposits	-	1,085,142	1,085,142	326	-
Accrued interest	25,003	38,967	63,970	-	-
Other liabilities	40,834	-	40,834	-	-
Long-term liabilities:					
Due within one year					
Bonds, notes and loans payable	362,146	2,455,988	2,818,134	-	-
Capital lease payable	-	294,256	294,256	-	-
Compensated absences	105,449	2,920	108,369	-	-
Due in more than one year					
Bonds, notes and loans payable	3,284,685	33,644,270	36,928,955	-	248,313
Capital lease payable	-	1,069,662	1,069,662	-	-
Compensated absences	597,546	16,546	614,092	-	-
Net pension liability	3,802,645	117,607	3,920,252	-	-
Total liabilities	<u>12,217,420</u>	<u>39,552,153</u>	<u>51,769,573</u>	<u>454,148</u>	<u>380,525</u>
<b>Deferred inflows of resources - Pension</b>					
	<u>1,600,737</u>	<u>49,508</u>	<u>1,650,245</u>	<u>-</u>	<u>-</u>

**CITY OF HINESVILLE, GEORGIA**  
**STATEMENT OF NET POSITION**  
**OCTOBER 31, 2021**

	<b>Primary Government</b>			<b>Component Unit</b>	<b>Component Unit</b>
	<b>Governmental Activities</b>	<b>Business Type Activities</b>	<b>Total</b>	<b>Downtown Development Authority</b>	<b>Hinesville Development Authority</b>
<b>Net Position</b>					
Net investment in capital assets	\$ 40,161,373	\$ 33,931,413	\$ 74,092,786	\$ 31,281	\$ 112,174
Restricted for:					
Revenue bond retirement	-	902,378	902,378	-	-
Capital projects	9,482,505	-	9,482,505	-	-
Public safety	75,608	-	75,608	-	-
Unrestricted	<u>13,137,951</u>	<u>13,721,904</u>	<u>26,859,855</u>	<u>1,094,377</u>	<u>(3,541)</u>
Total net position	<u>\$ 62,857,437</u>	<u>\$ 48,555,695</u>	<u>\$ 111,413,132</u>	<u>\$ 1,125,658</u>	<u>\$ 108,633</u>

**CITY OF HINESVILLE, GEORGIA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED OCTOBER 31, 2021**

<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>
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 3,146,069	\$ 1,513,258	\$ 461,479	\$ -
Judiciary	337,142	69,536	-	-
Public safety	10,804,520	1,529,100	100,919	145,313
Public works	3,817,145	20,795	131,732	6,197,567
Housing and development	1,891,517	309,397	187,130	-
Health and welfare	1,368,403	-	520,149	-
Culture and recreation	345,029	-	-	-
Interest and fiscal charges	103,913	-	-	-
Total governmental activities	<u>21,813,738</u>	<u>3,442,086</u>	<u>1,401,409</u>	<u>6,342,880</u>
Business-type activities:				
Water and sewer	10,660,140	11,532,812	-	-
Sanitation	3,421,519	3,486,756	-	-
Stormwater utility	1,578,910	1,645,281	-	-
Fort Stewart IGSA's	2,474,181	2,449,719	-	-
Transit	1,055,519	18,179	1,432,724	-
Total business-type activities	<u>19,190,269</u>	<u>19,132,747</u>	<u>1,432,724</u>	<u>-</u>
<b>Total primary government</b>	<u>\$ 41,004,007</u>	<u>\$ 22,574,833</u>	<u>\$ 2,834,133</u>	<u>\$ 6,342,880</u>
<b>Component units:</b>				
Downtown Development Authority	\$ 831,941	\$ 26,427	\$ 703,705	\$ -
Hinesville Development Authority	18,514	-	-	-
<b>Total component units</b>	<u>\$ 850,455</u>	<u>\$ 26,427</u>	<u>\$ 703,705</u>	<u>\$ -</u>
<b>General revenues:</b>				
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				

<b>Net (Expense) Revenue and Changes in Net Position</b>				
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Component Unit Downtown Development Authority</b>	<b>Component Unit Hinesville Development Authority</b>
\$ (1,171,332)	\$ -	\$ (1,171,332)		
(267,606)	-	(267,606)		
(9,029,188)	-	(9,029,188)		
2,532,949	-	2,532,949		
(1,394,990)	-	(1,394,990)		
(848,254)	-	(848,254)		
(345,029)	-	(345,029)		
(103,913)	-	(103,913)		
<u>(10,627,363)</u>	<u>-</u>	<u>(10,627,363)</u>		
-	872,672	872,672		
-	65,237	65,237		
-	66,371	66,371		
-	(24,462)	(24,462)		
-	395,384	395,384		
<u>-</u>	<u>1,375,202</u>	<u>1,375,202</u>		
<u>(10,627,363)</u>	<u>1,375,202</u>	<u>(9,252,161)</u>		
			(101,809)	(18,514)
			<u>\$ (101,809)</u>	<u>\$ (18,514)</u>
8,784,223	-	8,784,223	-	-
5,431,626	-	5,431,626	-	-
1,664,097	-	1,664,097	-	-
2,762,681	-	2,762,681	-	-
471,956	-	471,956	-	-
179,237	-	179,237	-	-
37,026	-	37,026	-	-
49,417	127,116	176,533	7,800	58,605
18,819	45,963	64,782	50	6
(19,985)	19,985	-	-	-
<u>19,379,097</u>	<u>193,064</u>	<u>19,572,161</u>	<u>7,850</u>	<u>58,611</u>
8,751,734	1,568,266	10,320,000	(93,959)	40,097
<u>54,105,703</u>	<u>46,987,429</u>	<u>101,093,132</u>	<u>1,219,617</u>	<u>68,536</u>
<u>\$ 62,857,437</u>	<u>\$ 48,555,695</u>	<u>\$ 111,413,132</u>	<u>\$ 1,125,658</u>	<u>\$ 108,633</u>



HINESVILLE  
GEORGIA

# FUND FINANCIAL STATEMENTS

**CITY OF HINESVILLE, GEORGIA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
OCTOBER 31, 2021**

	<u>General</u>	<u>SPLOST Fund</u>	<u>TSPLOST Fund</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 9,279,286	\$ -	\$ -
Receivables, net	1,463,266	-	-
Notes receivable, net	-	-	-
Due from other governments	466,269	409,419	539,656
Due from other funds	8,445,893	-	-
Due from component unit	579,149	-	-
Prepaid items	195,607	-	-
Restricted assets:			
Cash and cash equivalents	43,412	6,356,261	3,030,360
Total assets	<u>\$ 20,472,882</u>	<u>\$ 6,765,680</u>	<u>\$ 3,570,016</u>
<b>Liabilities</b>			
Accounts payable	\$ 352,799	\$ 150,157	\$ 2,853
Accrued payroll & payroll taxes	479,226	-	-
Due to other funds	3,399,884	992,438	2,035
Unearned revenue	48,478	-	-
Other liabilities	40,834	-	-
Total liabilities	<u>4,321,221</u>	<u>1,142,595</u>	<u>4,888</u>
<b>Deferred inflow of resources</b>			
Unavailable revenue - property and franchise taxes	<u>1,384,030</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>			
Nonspendable	195,607	-	-
Restricted	75,608	5,623,085	3,565,128
Assigned	458,699	-	-
Unassigned	14,037,717	-	-
Total fund balances	<u>14,767,631</u>	<u>5,623,085</u>	<u>3,565,128</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 20,472,882</u>	<u>\$ 6,765,680</u>	<u>\$ 3,570,016</u>

<b>ARPA Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ 439,432	\$ 9,718,718
-	31,214	1,494,480
-	380,677	380,677
-	457,203	1,872,547
2,835,792	564,092	11,845,777
-	-	579,149
-	-	195,607
-	-	9,430,033
<u>\$ 2,835,792</u>	<u>\$ 1,872,618</u>	<u>\$ 35,516,988</u>
\$ 12,743	\$ 74,539	\$ 593,091
-	-	479,226
-	903,113	5,297,470
2,823,049	103,745	2,975,272
-	-	40,834
<u>2,835,792</u>	<u>1,081,397</u>	<u>9,385,893</u>
-	-	1,384,030
-	-	195,607
-	294,292	9,558,113
-	496,929	955,628
-	-	14,037,717
-	791,221	24,747,065
<u>\$ 2,835,792</u>	<u>\$ 1,872,618</u>	<u>\$ 35,516,988</u>



HINESVILLE  
GEORGIA

**CITY OF HINESVILLE, GEORGIA**

**RECONCILIATION OF THE BALANCE SHEET  
OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF NET POSITION  
OCTOBER 31, 2021**

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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	\$ 24,747,065
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Nondepreciable capital assets	\$ 3,313,893
Depreciable capital assets	79,791,949
Accumulated depreciation	<u>(39,236,918)</u>
Total capital assets net of depreciation	43,868,924
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	\$ 142,788
Franchise taxes	1,241,242
Business license fees	<u>48,477</u>
Total unavailable revenue	1,432,507
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.	
	2,587,152
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	\$ (3,646,831)
Compensated absences	(702,995)
Accrued interest	(25,003)
Net pension liability	<u>(3,802,645)</u>
Total long-term liabilities	(8,177,474)
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.	
	(1,600,737)
Net position of governmental activities	<u>\$ 62,857,437</u>

**CITY OF HINESVILLE, GEORGIA**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2021**

	<u>General</u>	<u>SPLOST Fund</u>	<u>TSPLOST Fund</u>
<b>Revenues</b>			
Property taxes	\$ 8,804,810	\$ -	\$ -
Sales taxes	5,431,626	-	-
Franchise taxes	1,672,045	-	-
Insurance premium taxes	2,762,681	-	-
Other taxes	508,982	-	-
Licenses and permits	613,247	-	-
Charges for services	1,562,822	-	-
Intergovernmental	123,639	2,546,421	3,340,664
Fines, forfeitures, and fees	1,177,825	-	-
Interest revenues	24,786	12,778	2,955
Other revenues	125,691	-	-
Total revenues	<u>22,808,154</u>	<u>2,559,199</u>	<u>3,343,619</u>
<b>Expenditures</b>			
Current:			
General government	2,952,130	-	-
Judicial	335,652	-	-
Public safety	10,779,723	369,217	-
Public works	1,848,089	-	-
Housing and development	1,187,298	-	-
Health and welfare	559,223	-	-
Culture and recreation	524,725	-	-
Capital outlay	-	867,389	4,888
Debt service:			
Principal	-	352,369	-
Interest and fiscal charges	-	106,329	-
Intergovernmental	656,037	-	-
Total expenditures	<u>18,842,877</u>	<u>1,695,304</u>	<u>4,888</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,965,277</u>	<u>863,895</u>	<u>3,338,731</u>
<b>Other financing sources (uses)</b>			
Transfers In	170,703	-	-
Transfers Out	(99,088)	-	-
Total other financing sources (uses)	<u>71,615</u>	<u>-</u>	<u>-</u>
Net change in fund balances	4,036,892	863,895	3,338,731
<b>Fund balance - November 1</b>	<u>10,730,739</u>	<u>4,759,190</u>	<u>226,397</u>
<b>Fund balance - October 31</b>	<u>\$ 14,767,631</u>	<u>\$ 5,623,085</u>	<u>\$ 3,565,128</u>

<b>ARPA Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ -	\$ 8,804,810
-	-	5,431,626
-	-	1,672,045
-	-	2,762,681
-	179,237	688,219
-	-	613,247
-	-	1,562,822
461,479	1,255,918	7,728,121
-	-	1,177,825
-	-	40,519
-	-	125,691
461,479	1,435,155	30,607,606
3,076	-	2,955,206
-	-	335,652
-	17,170	11,166,110
-	115,998	1,964,087
-	344,815	1,532,113
458,403	366,674	1,384,300
-	17,704	542,429
-	67,788	940,065
-	-	352,369
-	-	106,329
-	71,695	727,732
461,479	1,001,844	22,006,392
-	433,311	8,601,214
-	79,103	249,806
-	(170,703)	(269,791)
-	(91,600)	(19,985)
-	341,711	8,581,229
-	449,510	16,165,836
\$ -	\$ 791,221	\$ 24,747,065



HINESVILLE  
GEORGIA

**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, 2021**

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

Net change in fund balances - total governmental funds	\$ 8,581,229
<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	1,304,482
Depreciation expense reported in the statement of activities	<u>(1,819,824)</u>
This is the amount by which depreciation exceeded capital outlay in the current period.	(515,342)
<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	(16,183)
<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	352,369
Change in accrued interest payable	<u>2,416</u>
	354,785
<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	38,928
Change in net pension liability and related deferred inflows of resources and deferred outflows of resources	308,317
Change in net position of governmental activities	<u><u>\$ 8,751,734</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, 2021**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 7,534,094	\$ 7,534,094	\$ 8,804,810	\$ 1,270,716
Sales taxes	4,450,885	4,450,885	5,431,626	980,741
Franchise taxes	1,733,770	1,733,770	1,672,045	(61,725)
Insurance premium taxes	2,760,491	2,760,491	2,762,681	2,190
Other taxes	473,650	473,650	508,982	35,332
Licenses and permits	675,695	675,695	613,247	(62,448)
Charges for services	1,539,549	1,542,461	1,562,822	20,361
Intergovernmental	160,055	160,055	123,639	(36,416)
Fines, forfeitures, and fees	1,137,366	1,137,366	1,177,825	40,459
Interest revenues	56,208	56,208	24,786	(31,422)
Other revenues	95,329	97,829	125,691	27,862
<b>Total revenues</b>	<b>20,617,092</b>	<b>20,622,504</b>	<b>22,808,154</b>	<b>2,185,650</b>
<b>Expenditures</b>				
<b>Current:</b>				
General government				
Administration	2,918,805	3,109,455	2,952,130	157,325
<b>Total general government</b>	<b>2,918,805</b>	<b>3,109,455</b>	<b>2,952,130</b>	<b>157,325</b>
Judicial				
Municipal Court	356,741	356,741	335,652	21,089
<b>Total judicial</b>	<b>356,741</b>	<b>356,741</b>	<b>335,652</b>	<b>21,089</b>
Public safety				
Police	7,914,640	7,914,640	7,116,078	798,562
Fire	3,983,396	3,986,308	3,663,645	322,663
<b>Total public safety</b>	<b>11,898,036</b>	<b>11,900,948</b>	<b>10,779,723</b>	<b>1,121,225</b>
Public works				
Public works administration	199,316	202,316	200,596	1,720
Highways and streets	1,186,744	1,186,744	1,232,299	(45,555)
Vehicle maintenance	407,815	418,815	415,194	3,621
<b>Total public works</b>	<b>1,793,875</b>	<b>1,807,875</b>	<b>1,848,089</b>	<b>(40,214)</b>
Health and welfare				
Community development	640,716	678,716	559,223	119,493
<b>Total health and welfare</b>	<b>640,716</b>	<b>678,716</b>	<b>559,223</b>	<b>119,493</b>
Culture and recreation				
Team Hinesville	56,520	56,520	56,419	101
Parks and grounds	465,585	480,585	468,306	12,279
<b>Total culture and recreation</b>	<b>522,105</b>	<b>537,105</b>	<b>524,725</b>	<b>12,380</b>

**(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, 2021**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Housing and development				
Inspections	912,792	912,792	721,637	191,155
Downtown Development Authority	384,286	384,286	384,286	-
Economic development	81,680	81,680	81,375	305
Total housing and development	<u>1,378,758</u>	<u>1,378,758</u>	<u>1,187,298</u>	<u>191,460</u>
Intergovernmental				
Live Oak Public Libraries	350,544	350,544	350,544	-
Liberty Consolidated Planning Commission	316,512	316,512	301,821	14,691
Liberty County Board of Commissioners	-	-	3,672	(3,672)
Total Intergovernmental	<u>667,056</u>	<u>667,056</u>	<u>656,037</u>	<u>11,019</u>
Total expenditures	<u>20,176,092</u>	<u>20,436,654</u>	<u>18,842,877</u>	<u>1,593,777</u>
Excess (deficiency) of revenues over (under) expenditures	<u>441,000</u>	<u>185,850</u>	<u>3,965,277</u>	<u>3,779,427</u>
<b>Other financing sources (uses)</b>				
Transfers In	139,797	139,797	170,703	30,906
Transfers Out	(264,597)	(264,597)	(99,088)	165,509
Total other financing sources (uses)	<u>(124,800)</u>	<u>(124,800)</u>	<u>71,615</u>	<u>196,415</u>
Net change in fund balances	316,200	61,050	4,036,892	3,975,842
<b>Fund balance - November 1</b>	<u>10,730,739</u>	<u>10,730,739</u>	<u>10,730,739</u>	<u>-</u>
<b>Fund balance - October 31</b>	<u>\$ 11,046,939</u>	<u>\$ 10,791,789</u>	<u>\$ 14,767,631</u>	<u>\$ 3,975,842</u>



HINESVILLE  
GEORGIA

**CITY OF HINESVILLE, GEORGIA**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - ARPA FUND  
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2021**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ -	\$ 500,000	\$ 461,479	\$ (38,521)
Total revenues	-	500,000	461,479	(38,521)
<b>Expenditures</b>				
<b>Current:</b>				
General government				
Administration	-	-	3,076	(3,076)
Total general government	-	-	3,076	(3,076)
Health and welfare				
Community development	-	500,000	458,403	41,597
Total health and welfare	-	500,000	458,403	41,597
Total expenditures	-	500,000	461,479	38,521
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
<b>Fund balance - November 1</b>	-	-	-	-
<b>Fund balance - October 31</b>	\$ -	\$ -	\$ -	\$ -

**CITY OF HINESVILLE, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**OCTOBER 31, 2021**

	<b>Water and Sewer Fund</b>	<b>Sanitation Fund</b>	<b>Stormwater Utility Fund</b>
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$ 9,620,127	\$ -	\$ -
Receivables, net	2,460,894	-	-
Due from other governments	-	-	-
Due from other funds	-	766,304	2,035
Prepaid items	65,490	-	-
Restricted assets:			
Cash and cash equivalents	8,628,235	-	577,919
Total current assets	<u>20,774,746</u>	<u>766,304</u>	<u>579,954</u>
Noncurrent assets			
Capital assets, nondepreciable	1,339,356	-	11,737
Capital assets, net of accumulated depreciation	62,299,067	469,015	4,872,702
Total noncurrent assets	<u>63,638,423</u>	<u>469,015</u>	<u>4,884,439</u>
Total assets	<u>84,413,169</u>	<u>1,235,319</u>	<u>5,464,393</u>
<b>Deferred outflows of resources</b>	<u>80,014</u>	<u>-</u>	<u>-</u>
<b>Liabilities</b>			
Current liabilities			
Accounts payable	515,629	97,661	29,521
Retainage payable	40,944	-	-
Accrued expenses	12,179	-	-
Accrued interest payable	-	-	5,731
Due to other funds	3,601,100	-	2,071,991
Payable from restricted assets:			
Customer deposits	1,085,142	-	-
Accrued interest	38,967	-	-
Current portion of notes payable	1,502,023	-	118,847
Current portion of revenue bonds payable	835,118	-	-
Current portion of capital lease payable	-	-	71,853
Current portion of compensated absences	2,920	-	-
Total current liabilities	<u>7,634,022</u>	<u>97,661</u>	<u>2,297,943</u>
Noncurrent liabilities			
Notes payable, long-term portion	29,566,436	-	1,613,919
Bonds payable, long term portion	2,463,915	-	-
Capital lease payable, long term portion	-	-	131,496
Compensated absences, long term portion	16,546	-	-
Net pension liability	117,607	-	-
Total noncurrent liabilities	<u>32,164,504</u>	<u>-</u>	<u>1,745,415</u>
Total liabilities	<u>39,798,526</u>	<u>97,661</u>	<u>4,043,358</u>
<b>Deferred inflows of resources</b>	<u>49,508</u>	<u>-</u>	<u>-</u>
<b>Net Position</b>			
Net investment in capital assets	29,052,462	469,015	2,948,324
Restricted for:			
Revenue bond retirement	902,378	-	-
Unrestricted	14,690,309	668,643	(1,527,289)
Total net position (deficit)	<u>\$ 44,645,149</u>	<u>\$ 1,137,658</u>	<u>\$ 1,421,035</u>

<b>Fort Stewart IGSAs Fund</b>	<b>Non-major Transit Fund</b>	<b>Total Business Type Activities</b>
\$ 43,957	\$ 49,202	\$ 9,713,286
710,579	-	3,171,473
-	855,188	855,188
-	-	768,339
-	-	65,490
-	-	9,206,154
<u>754,536</u>	<u>904,390</u>	<u>23,779,930</u>
-	-	1,351,093
<u>1,136,763</u>	<u>1,485,418</u>	<u>70,262,965</u>
<u>1,136,763</u>	<u>1,485,418</u>	<u>71,614,058</u>
<u>1,891,299</u>	<u>2,389,808</u>	<u>95,393,988</u>
<u>-</u>	<u>-</u>	<u>80,014</u>
47,381	74,848	765,040
-	-	40,944
-	-	12,179
2,901	-	8,632
810,419	833,136	7,316,646
-	-	1,085,142
-	-	38,967
-	-	1,620,870
-	-	835,118
222,403	-	294,256
-	-	2,920
<u>1,083,104</u>	<u>907,984</u>	<u>12,020,714</u>
-	-	31,180,355
-	-	2,463,915
938,166	-	1,069,662
-	-	16,546
-	-	117,607
<u>938,166</u>	<u>-</u>	<u>34,848,085</u>
<u>2,021,270</u>	<u>907,984</u>	<u>46,868,799</u>
<u>-</u>	<u>-</u>	<u>49,508</u>
(23,806)	1,485,418	33,931,413
-	-	902,378
<u>(106,165)</u>	<u>(3,594)</u>	<u>13,721,904</u>
<u>\$ (129,971)</u>	<u>\$ 1,481,824</u>	<u>\$ 48,555,695</u>

**CITY OF HINESVILLE, GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES**  
**IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED OCTOBER 31, 2021**

	<u>Water and Sewer Fund</u>	<u>Sanitation Fund</u>	<u>Stormwater Utility Fund</u>
<b>Operating revenues</b>			
Water fees	\$ 4,042,074	\$ -	\$ -
Sewer fees	3,973,823	-	-
Fort Stewart sewer fees	1,710,313	-	-
Water and sewer impact fees	1,184,250	-	-
Sanitation fees	-	3,486,756	-
Stormwater utility fees	-	-	1,645,281
Transit fees	-	-	-
Grounds maintenance fees	-	-	-
Water tank maintenance fees	-	-	-
Intergovernmental	-	-	-
Other revenues	695,478	53,990	-
Total operating revenues	<u>11,605,938</u>	<u>3,540,746</u>	<u>1,645,281</u>
<b>Operating expenses</b>			
Salaries	345,746	-	-
Employee benefits	85,055	-	-
Vehicle operating expenses	74,852	287,886	126,395
Office supplies and postage	100,883	379	379
General insurance	96,299	24,818	24,819
Professional fees	142,924	-	152,861
Computer services	61,667	-	-
Equipment rental and repairs	10,083	545	545
Schools and training	3,070	-	-
Operating supplies	473,096	100,496	4,851
Utilities	1,217,638	15,771	15,780
Operations contracted services	3,006,011	1,795,525	784,727
Repairs and materials	1,545,016	2,654	15,628
Depreciation	2,458,896	154,527	280,873
Administrative fees	522,462	247,852	115,277
Drinking water program	12,200	-	-
Miscellaneous	18,908	-	-
Disposal	-	721,066	-
Grinding Services	-	70,000	-
Marketing	-	-	-
Total operating expenses	<u>10,174,806</u>	<u>3,421,519</u>	<u>1,522,135</u>
Operating income (loss)	<u>1,431,132</u>	<u>119,227</u>	<u>123,146</u>

**(Continued)**

<b>Fort Stewart IGSAs Fund</b>	<b>Non-major Transit Fund</b>	<b>Total Business Type Activities</b>
\$ -	\$ -	\$ 4,042,074
-	-	3,973,823
-	-	1,710,313
-	-	1,184,250
-	-	3,486,756
-	-	1,645,281
-	18,179	18,179
2,367,454	-	2,367,454
82,265	-	82,265
-	1,432,724	1,432,724
-	-	749,468
<u>2,449,719</u>	<u>1,450,903</u>	<u>20,692,587</u>
-	49,253	394,999
-	-	85,055
168,548	51,368	709,049
-	-	101,641
-	8,273	154,209
-	41,310	337,095
37	18,682	80,386
3,250	-	14,423
-	200	3,270
23,096	11,512	613,051
9,202	-	1,258,391
1,909,833	790,946	8,287,042
-	-	1,563,298
192,662	77,457	3,164,415
129,754	4,925	1,020,270
-	-	12,200
-	250	19,158
-	-	721,066
-	-	70,000
-	1,343	1,343
<u>2,436,382</u>	<u>1,055,519</u>	<u>18,610,361</u>
<u>13,337</u>	<u>395,384</u>	<u>2,082,226</u>

**CITY OF HINESVILLE, GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES**  
**IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED OCTOBER 31, 2021**

	<u>Water and Sewer Fund</u>	<u>Sanitation Fund</u>	<u>Stormwater Utility Fund</u>
<b>Nonoperating revenues (expenses)</b>			
Investment income	43,892	-	1,528
Interest and fiscal charges	(485,334)	-	(56,775)
Total nonoperating revenue (expense)	(441,442)	-	(55,247)
Income (loss) before transfers	989,690	119,227	67,899
Transfers in	-	-	-
Total transfers	-	-	-
Change in net position	989,690	119,227	67,899
<b>Total net position - November 1</b>	<u>43,655,459</u>	<u>1,018,431</u>	<u>1,353,136</u>
<b>Total net position - October 31</b>	<u>\$ 44,645,149</u>	<u>\$ 1,137,658</u>	<u>\$ 1,421,035</u>

<b>Fort Stewart IGSAs Fund</b>	<b>Non-major Transit Fund</b>	<b>Total Business Type Activities</b>
439	104	45,963
(37,799)	-	(579,908)
<u>(37,360)</u>	<u>104</u>	<u>(533,945)</u>
<u>(24,023)</u>	<u>395,488</u>	<u>1,548,281</u>
<u>-</u>	<u>19,985</u>	<u>19,985</u>
<u>-</u>	<u>19,985</u>	<u>19,985</u>
(24,023)	415,473	1,568,266
<u>(105,948)</u>	<u>1,066,351</u>	<u>46,987,429</u>
<u>\$ (129,971)</u>	<u>\$ 1,481,824</u>	<u>\$ 48,555,695</u>

**CITY OF HINESVILLE, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED OCTOBER 31, 2021**

	<u>Water and Sewer Fund</u>	<u>Sanitation Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers and users	\$ 11,764,563	\$ 3,540,746
Cash paid to suppliers for goods and services	(6,606,552)	(3,273,726)
Cash paid to employees for services	(455,127)	-
Net cash provided (used) by operating activities	<u>4,702,884</u>	<u>267,020</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Change in due from other funds	-	(75,494)
Change in due to other funds	959,031	-
Transfer from other funds	-	-
Net cash provided (used) by noncapital financing activities	<u>959,031</u>	<u>(75,494)</u>
<b>CASH FLOWS FROM CAPITAL &amp; RELATED FINANCING ACTIVITIES</b>		
Principal payments on long-term borrowings	(2,058,229)	-
Interest payments on long-term borrowings	(453,107)	-
Purchase of capital assets	(92,689)	(191,526)
Acquisition and construction of capital assets	(1,629,370)	-
Net cash provided (used) by capital and related financing activities	<u>(4,233,395)</u>	<u>(191,526)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on investments	43,892	-
Net cash provided (used) by investing activities	<u>43,892</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	1,472,412	-
Cash and cash equivalents/investments, November 1	<u>16,775,950</u>	<u>-</u>
Cash and cash equivalents/investments, October 31	<u>\$ 18,248,362</u>	<u>\$ -</u>
<b>CLASSIFIED AS:</b>		
Cash and cash equivalents	\$ 9,620,127	\$ -
Restricted assets:		
Cash and cash equivalents	<u>8,628,235</u>	<u>-</u>
Cash and cash equivalents, October 31	<u>\$ 18,248,362</u>	<u>\$ -</u>

(Continued)

<b>Stormwater Utility Fund</b>	<b>Fort Stewart IGSAs Fund</b>	<b>Non-major Transit Fund</b>	<b>Total Business Type Activities</b>
\$ 1,645,281 (1,277,303) -	\$ 1,932,378 (2,218,768) -	\$ 1,463,997 (936,419) (49,253)	\$ 20,346,965 (14,312,768) (504,380)
<u>367,978</u>	<u>(286,390)</u>	<u>478,325</u>	<u>5,529,817</u>
6,852 25,051 -	1,812,052 (1,260,661) -	44,075 (41,555) 19,985	1,787,485 (318,134) 19,985
<u>31,903</u>	<u>551,391</u>	<u>22,505</u>	<u>1,489,336</u>
(180,364) (52,937) (136,580) -	(215,841) (38,339) -	- - (255,368) (228,257)	(2,454,434) (544,383) (676,163) (1,857,627)
<u>(369,881)</u>	<u>(254,180)</u>	<u>(483,625)</u>	<u>(5,532,607)</u>
1,528 1,528	439 439	104 104	45,963 45,963
31,528	11,260	17,309	1,532,509
<u>546,391</u>	<u>32,697</u>	<u>31,893</u>	<u>17,386,931</u>
<u>\$ 577,919</u>	<u>\$ 43,957</u>	<u>\$ 49,202</u>	<u>\$ 18,919,440</u>
\$ -	\$ 43,957	\$ 49,202	\$ 9,713,286
<u>577,919</u>	<u>-</u>	<u>-</u>	<u>9,206,154</u>
<u>\$ 577,919</u>	<u>\$ 43,957</u>	<u>\$ 49,202</u>	<u>\$ 18,919,440</u>

**CITY OF HINESVILLE, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED OCTOBER 31, 2021**

	<b>Water and Sewer Fund</b>	<b>Sanitation Fund</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used in)</b>		
<b>operating activities</b>		
Operating income (loss)	\$ 1,431,132	\$ 119,227
Adjustments to reconcile operating income (loss) to net cash provided by (used in)		
operating activities:		
Depreciation	2,458,896	154,527
(Increase) decrease in accounts receivable	75,429	-
(Increase) decrease in due from other governments	-	-
(Increase) decrease in prepaid expenses	(2,971)	-
(Increase) decrease in deferred outflows of resources	4,695	-
Increase (decrease) in accounts payable	155,385	(6,734)
Increase (decrease) in customer deposits payable	83,196	-
Increase (decrease) in accrued expenses	(1,014)	-
Increase (decrease) in compensated absences	(10,095)	-
Increase (decrease) in due to other funds	522,462	-
Increase (decrease) in net pension liability	(38,354)	-
Increase (decrease) in deferred inflows of resources	24,123	-
Total adjustments	3,271,752	147,793
Net cash provided by (used in) operating activities	\$ 4,702,884	\$ 267,020

<b>Stormwater Utility Fund</b>	<b>Fort Stewart IGSAs Fund</b>	<b>Non-major Transit Fund</b>	<b>Total Business Type Activities</b>
\$ 123,146	\$ 13,337	\$ 395,384	\$ 2,082,226
280,873	192,662	77,457	3,164,415
-	(517,341)	-	(441,912)
-	-	13,094	13,094
-	-	-	(2,971)
-	-	-	4,695
(36,041)	24,952	(7,610)	129,952
-	-	-	83,196
-	-	-	(1,014)
-	-	-	(10,095)
-	-	-	522,462
-	-	-	(38,354)
-	-	-	24,123
<u>244,832</u>	<u>(299,727)</u>	<u>82,941</u>	<u>3,447,591</u>
<u>\$ 367,978</u>	<u>\$ (286,390)</u>	<u>\$ 478,325</u>	<u>\$ 5,529,817</u>



HINESVILLE  
GEORGIA

NOTES TO THE FINANCIAL  
STATEMENTS



HINESVILLE  
GEORGIA

**CITY OF HINESVILLE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**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**

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**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.

**TSPLOST Fund.** This capital projects fund accounts for Transportation Special Purpose Local Option Sales Tax (TSPLOST) proceeds and expenditures related to capital acquisition or construction of capital assets.

**CITY OF HINESVILLE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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

**ARPA Fund.** This special revenue fund accounts for the American Rescue Plan Act (ARPA) proceeds and expenditures.

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.

**Fort Stewart Intergovernmental Service Agreement (FS IGSA) Fund.** This enterprise fund accounts for the contract to provide contracted services to Fort Stewart and Hunter Army Airfield for grounds maintenance and water tank repairs and maintenance.

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.
- Transit Fund – This enterprise fund accounts for the operation of the City's bus transit system.

**C. Basis of Accounting and Measurement Focus**

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

**CITY OF HINESVILLE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**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**

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**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 \$261,097 as of October 31, 2021.

**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**

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**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**

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**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**

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**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**

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**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, 2021:

	<b>General Fund</b>	<b>SPLOST Fund</b>	<b>TSPLOST Fund</b>	<b>Non-major Governmental Funds</b>	<b>Total Governmental Funds</b>
Fund Balance:					
Nonspendable					
Prepays	\$ 195,607	\$ -	\$ -	\$ -	\$ 195,607
Restricted					
Capital Outlay	-	5,623,085	3,565,128	294,292	9,482,505
Public Safety	75,608	-	-	-	75,608
Assigned					
Debt service	458,699	-	-	-	458,699
Community development	-	-	-	496,929	496,929
Unassigned	14,037,717	-	-	-	14,037,717
	<u>\$ 14,767,631</u>	<u>\$ 5,623,085</u>	<u>\$ 3,565,128</u>	<u>\$ 791,221</u>	<u>\$ 24,747,065</u>

**CITY OF HINESVILLE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**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**

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

**B. Excess of Expenditures over Appropriations**

The following governmental fund functions had excesses of actual expenditures over appropriations in the amount shown for the fiscal year ended October 31, 2021.

**General Fund:**

Current:

Highways and Streets .....	\$ 45,555
Liberty County Board of Commissioners .....	\$ 3,672

**ARPA Fund:**

Current:

Administration .....	\$ 3,076
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**Hotel Motel Tax Fund:**

Current:

Intergovernmental .....	\$ 16,225
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The over expenditures in the General Fund were funded by greater than anticipated local option sales tax revenue and savings from other departments. The over expenditures in the ARPA Fund are a result of unanticipated funds received. The over expenditure in the Hotel Motel Tax Fund is a result of greater than anticipated hotel motel tax receipts.

**C. Deficit Net Position**

The Fort Stewart IGSA's Fund reported a deficit net position of \$129,971 as of the fiscal year ended October 31, 2021. The project accounted for in this fund began in August 2020 and it is anticipated the deficit will be reduced over the next couple fiscal years. After the first full year of operations, we had to make some adjustments on some budgeted expenditures that were higher than anticipated. Specifically, these expenditures were equipment repairs and maintenance and fuel.

**CITY OF HINESVILLE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 3. DEPOSITS AND INVESTMENTS**

Total deposits and investments as of October 31, 2021, are summarized as follows:

As reported in the Statement of Net Position:

**Primary government:**

Cash and cash equivalents	\$ 19,432,004
Restricted assets - cash and cash equivalents	<u>18,636,187</u>
Cash deposited with financial institutions	<u>\$ 38,068,191</u>

**Component units:**

Cash and cash equivalents	\$ 675,871
Restricted assets - cash and cash equivalents	<u>75,000</u>
Cash deposited with financial institutions	<u>\$ 750,871</u>

**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, 2021, 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, 2021 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, 2021, 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**

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**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, 2021 are recorded as receivables, net of estimated uncollectible.

Real and personal property taxes were levied in November 2020. The taxes are based on the January 1, 2020 assessed values and are due on February 10, 2021 after which date liens can be attached. The net receivables collected during the year ended October 31, 2021 and expected to be collected by December 31, 2021, are recognized as revenues in the year ended October 31, 2021. Net receivables estimated to be collectible subsequent to December 31, 2021 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>Fort Stewart IGSAs</u>	<u>Total</u>
Receivables:					
Taxes	\$ 1,582,368	\$ 31,214	\$ -	\$ -	\$1,613,582
Accounts	32,045	-	3,287,706	710,579	4,030,330
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Gross receivables	1,614,413	31,214	3,287,706	710,579	5,643,912
Less allowance for uncollectible accounts	(151,147)	-	(826,812)	-	(977,959)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net total receivables	<u>\$ 1,463,266</u>	<u>\$ 31,214</u>	<u>\$ 2,460,894</u>	<u>\$ 710,579</u>	<u>\$4,665,953</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, 2021, the outstanding balance of these notes receivable, net of an allowance of \$123,724, was \$380,677.

**CITY OF HINESVILLE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 5. CAPITAL ASSETS**

Capital asset activity for the year ended October 31, 2021, was as follows:

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
<b>Governmental Activities</b>					
Capital assets not being depreciated:					
Land and improvements	\$ 1,905,501	\$ -	\$ -	\$ -	\$ 1,905,501
Construction in progress	384,347	1,024,045	-	-	1,408,392
Total capital assets not being depreciated	2,289,848	1,024,045	-	-	3,313,893
Capital assets being depreciated:					
Buildings and improvements	15,675,766	-	-	-	15,675,766
Vehicles	5,424,136	266,736	(498,110)	-	5,192,762
Heavy equipment	863,229	-	-	-	863,229
Equipment	1,020,730	13,701	(34,186)	-	1,000,245
Office equipment	378,138	-	-	-	378,138
Infrastructure	56,681,809	-	-	-	56,681,809
Total capital assets being depreciated	80,043,808	280,437	(532,296)	-	79,791,949
Less accumulated depreciation for:					
Buildings and improvements	(4,221,152)	(310,218)	-	-	(4,531,370)
Vehicles	(4,716,135)	(338,897)	498,110	-	(4,556,922)
Heavy equipment	(667,898)	(16,277)	-	-	(684,175)
Equipment	(848,941)	(41,157)	34,186	-	(855,912)
Office equipment	(345,800)	(16,263)	-	-	(362,063)
Infrastructure	(27,149,464)	(1,097,012)	-	-	(28,246,476)
Total accumulated depreciation	(37,949,390)	(1,819,824)	532,296	-	(39,236,918)
Total capital assets being depreciated, net	42,094,418	(1,539,387)	-	-	40,555,031
Governmental activity capital assets, net	\$ 44,384,266	\$ (515,342)	\$ -	\$ -	43,868,924

**CITY OF HINESVILLE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 5. CAPITAL ASSETS (continued)**

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
<b>Business-type activities</b>					
Capital assets not being depreciated:					
Construction in progress	\$ 428,943	\$ 1,898,571	\$ -	\$ (1,000,331)	\$ 1,327,183
Land (Right of way)	23,910	-	-	-	23,910
Total capital assets not being depreciated	<u>452,853</u>	<u>1,898,571</u>	<u>-</u>	<u>(1,000,331)</u>	<u>1,351,093</u>
Capital assets being depreciated:					
Utility plant in service	114,166,294	-	-	760,374	114,926,668
Other equipment	10,954,342	676,163	(717,624)	-	10,912,881
Infrastructure	6,159,479	-	-	239,957	6,399,436
Total capital assets being depreciated	<u>131,280,115</u>	<u>676,163</u>	<u>(717,624)</u>	<u>1,000,331</u>	<u>132,238,985</u>
Less accumulated depreciation for:					
Utility plant in service	(50,777,609)	(2,380,851)	-	-	(53,158,460)
Other equipment	(7,758,232)	(643,124)	717,624	-	(7,683,732)
Infrastructure	(993,388)	(140,440)	-	-	(1,133,828)
Total accumulated depreciation	<u>(59,529,229)</u>	<u>(3,164,415)</u>	<u>717,624</u>	<u>-</u>	<u>(61,976,020)</u>
Total capital assets being depreciated, net	<u>71,750,886</u>	<u>(2,488,252)</u>	<u>-</u>	<u>1,000,331</u>	<u>70,262,965</u>
Business-type activity capital assets, net	<u>\$ 72,203,739</u>	<u>\$ (589,681)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>71,614,058</u>

**CITY OF HINESVILLE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**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	434,727
Public works	1,119,098
Culture and recreation	18,432
Housing and development	<u>15,497</u>
Total depreciation expense - Governmental activities	<u>\$ 1,819,824</u>

**Business-type activities:**

Water and sewer	\$ 2,458,896
Sanitation	154,527
Stormwater utility	280,873
Transit	77,457
Fort Stewart Grounds Maintenance	<u>192,662</u>
Total depreciation expense - Business-type activities	<u>\$ 3,164,415</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, 2021:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Refunding Revenue Bond Series 2015	\$ 3,999,200	\$ -	\$ (352,369)	\$ 3,646,831	\$ 362,146
Total revenue bonds	<u>3,999,200</u>	<u>-</u>	<u>(352,369)</u>	<u>3,646,831</u>	<u>362,146</u>
Other long term liabilities					
Net pension liability	5,042,751	-	(1,240,106)	3,802,645	-
Compensated absences	<u>741,923</u>	<u>1,128,953</u>	<u>(1,167,881)</u>	<u>702,995</u>	<u>105,449</u>
Total other long term liabilities	<u>5,784,674</u>	<u>1,128,953</u>	<u>(2,407,987)</u>	<u>4,505,640</u>	<u>105,449</u>
Total governmental activities	<u>\$ 9,783,874</u>	<u>\$ 1,128,953</u>	<u>\$ (2,760,356)</u>	<u>\$ 8,152,471</u>	<u>\$ 467,595</u>
<b>Business-type activities:</b>					
Revenue bonds	\$ 4,100,000	\$ -	\$ (815,000)	\$ 3,285,000	\$ 830,000
Unamortized premium	20,242	-	(6,209)	14,033	5,118
Direct Borrowings:					
GEFA loans payable	34,134,600	-	(1,333,375)	32,801,225	1,620,870
Capital lease payable	<u>1,663,768</u>	<u>-</u>	<u>(299,850)</u>	<u>1,363,918</u>	<u>294,256</u>
Total bonds, loans and notes payable	<u>39,918,610</u>	<u>-</u>	<u>(2,454,434)</u>	<u>37,464,176</u>	<u>2,750,244</u>
Other long-term liabilities					
Net pension liability	155,960	-	(38,353)	117,607	-
Compensated absences	<u>29,561</u>	<u>45,276</u>	<u>(55,371)</u>	<u>19,466</u>	<u>2,920</u>
Total other long term liabilities	<u>185,521</u>	<u>45,276</u>	<u>(93,724)</u>	<u>137,073</u>	<u>2,920</u>
Total business-type activities	<u>\$ 40,104,131</u>	<u>\$ 45,276</u>	<u>\$ (2,548,158)</u>	<u>\$ 37,601,249</u>	<u>\$ 2,753,164</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**

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**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
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	404,103	54,595	458,698
2027-2030	1,732,645	102,151	1,834,796
Totals	<u>\$ 3,646,831</u>	<u>\$ 481,459</u>	<u>\$ 4,128,290</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, 2021 are as follows:

Purpose	Original Amount	Interest Rate	Due Date	Amount
Water & Sewer Fund Improvements	\$ 11,060,000	2.00% - 3.00%	2026	\$ 3,285,000
Total Revenue Bonds Payable				3,285,000
Less current portion				<u>(830,000)</u>
Long-term portion of revenue bonds				<u>\$ 2,455,000</u>

**CITY OF HINESVILLE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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

Debt service requirements to maturity are as follows:

Fiscal Year Ending October 31,	Principal	Interest	Total
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>\$ 3,285,000</u>	<u>\$ 198,458</u>	<u>\$ 3,483,458</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**

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**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, 2021, 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**

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

GEFA loans outstanding at October 31, 2021 are as follows:

Purpose	Original Amount	Interest Rate	Due Date	Amount
Water & Sewer Fund Improvements	\$ 1,724,687	1.40%	2035	\$ 1,243,383
Water & Sewer Fund Improvements	634,457	1.09%	2039	557,635
Water & Sewer Fund Improvements	2,105,000	0.89%	2039	1,798,989
Water & Sewer Fund Improvements	6,122,450	1.09%	2040	5,576,599
Water & Sewer Fund Improvements	22,400,000	1.40%	2040	21,504,561
Water & Sewer Fund Improvements	409,000	0.50%	2030	289,627
Water & Sewer Fund Improvements	2,626,000	In construction status		97,665
Stormwater projects	2,542,459	3.00%	2034	1,732,766
Total GEFA loans payable				32,801,225
Less GEFA loans payable in construction status				(97,665)
Long-term portion in repayment status				32,703,560
Less current portion				(1,620,870)
Long-term portion of GEFA Loans				<u>\$ 31,082,690</u>

**CITY OF HINESVILLE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**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
2022	\$ 1,620,870	\$ 442,943	\$ 2,063,813
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	1,715,317	349,144	2,064,461
2027-2031	8,913,881	408,492	9,322,374
2032-2036	8,847,624	162,467	9,010,090
2037-2041	6,603,460	176,309	6,779,769
Total	<u>\$32,703,560</u>	<u>\$ 2,729,352</u>	<u>\$35,432,912</u>

**Capital Lease**

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%.

The following is an analysis of the asset recorded under capital leases at October 31, 2021:

Class of Property	Cost	Accumulated Depreciation	Net Book Value	Current Year Depreciation Expense
Equipment	<u>\$ 356,737</u>	<u>\$ (95,130)</u>	<u>\$ 261,607</u>	<u>\$ (35,674)</u>

**CITY OF HINESVILLE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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

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, 2021:

<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>\$ 1,379,592</u>	<u>\$ (242,829)</u>	<u>\$ 1,136,763</u>	<u>\$ (192,662)</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of October 31, 2021 are as follows:

<u>Fiscal Year Ending October 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 294,256	\$ 37,532	\$ 331,788
2023	303,391	28,397	331,788
2024	293,410	18,977	312,387
2025	243,321	10,858	254,179
2026	229,540	3,457	232,997
Total	<u>\$ 1,363,918</u>	<u>\$ 99,221</u>	<u>\$ 1,463,139</u>

**CITY OF HINESVILLE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 8. INTERFUND BALANCES AND TRANSFERS**

Interfund receivable and payable balances as of October 31, 2021 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	SPLOST Fund	\$ 992,438
General Fund	Nonmajor Governmental	903,113
General Fund	Water and Sewer Fund	2,834,796
General Fund	Stormwater Utility Fund	2,071,991
General Fund	Ft. Stewart IGSA's Fund	810,419
General Fund	Nonmajor Proprietary	833,136
ARPA Fund	General Fund	2,835,792
Nonmajor Governmental	General Fund	515,835
Nonmajor Governmental	General Fund	48,257
Sanitation Fund	Water and Sewer Fund	766,304
Stormwater Utility Fund	TSPLOST Fund	2,035
		<u>\$ 12,614,116</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, 2021 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	\$ 107,542
General Fund	Nonmajor Governmental	Program administration	63,161
Nonmajor Governmental	General Fund	Grant program assistance	27,505
Nonmajor Governmental	General Fund	LMIG match	51,598
Nonmajor Proprietary	General Fund	Local match	19,985
			<u>\$ 269,791</u>
Total interfund transfers			<u>\$ 269,791</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**

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**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, 2021 pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	99
Inactive plan members entitled to but not receiving benefits	42
Active plan members	<u>195</u>
	<u><u>336</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, 2021, the City's contribution rate was 11.30% of annual payroll. City contributions to the Plan were \$996,163 for the year ended October 31, 2021.

**CITY OF HINESVILLE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 9. PENSION PLAN (continued)**

**D. Net Pension Liability**

The City's net pension liability was measured as of November 30, 2020 which would make it applicable to the fiscal year beginning November 1, 2020 and ending October 31, 2021.

**E. Actuarial Assumptions**

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

Net Investment Rate of Return	7.375%
Projected Salary Increases	2.25% plus service based merit increases
Cost of Living 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, 2020 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%	6.40%
International equity	20%	7.05%
Domestic Fixed Income	20%	1.15%
Real estate	10%	4.50%
Global Fixed Income	5%	1.25%
<b>Total</b>	<u>100%</u>	

**CITY OF HINESVILLE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**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, 2021, 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 10/31/2020	\$ 26,553,569	\$ 21,354,858	\$ 5,198,711
Changes for the year:			
Service cost	283,126	-	283,126
Interest	1,929,175	-	1,929,175
Differences between expected and actual experience	311,031	-	311,031
Assumption Changes	-	-	-
Current year changes in plan benefits	-	-	-
Contributions - employer	-	897,712	(897,712)
Contributions - employee	-	-	-
Net investment income	-	2,945,562	(2,945,562)
Benefit payments, including refunds of employee contributions	(1,356,792)	(1,356,792)	-
Administrative expenses	-	(41,483)	41,483
Net changes	<u>1,166,540</u>	<u>2,444,999</u>	<u>(1,278,459)</u>
Balances at 10/31/2021	<u>\$ 27,720,109</u>	<u>\$ 23,799,857</u>	<u>\$ 3,920,252</u>

The required schedule of changes in the City's net pension liability and related ratios on pages 72-75 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**

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**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	\$ 7,159,314	\$ 3,920,252	\$ 1,195,370

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, 2020.

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

For the year ended October 31, 2021, the City recognized pension expense of \$746,204. At October 31, 2021, 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	\$ 517,350	\$ 65,233
Changes in assumptions	1,236,667	-
Net difference between projected and actual earnings on pension plan investments	-	1,585,012
City contributions subsequent to the measurement date	913,149	-
	\$ 2,667,166	\$ 1,650,245
Balances at 10/31/2021		

**CITY OF HINESVILLE, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 9. PENSION PLAN (continued)**

City contributions subsequent to the measurement date of \$913,149 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, 2022. 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,	
2022	\$ (120,373)
2023	225,666
2024	(96,448)
2025	94,927
Totals	<u>\$ 103,772</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, 2021, 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, 2021 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**

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**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, 2021 follows:

Total lodging tax receipts	<u>\$ 179,237</u>
40% of tax receipted owed to the Liberty County Convention & Visitors Bureau for October 31, 2021	71,695
Tax receipts owed at October 31, 2020	10,341
Disbursements to the Liberty County Convention & Visitors Bureau during the year ended October 31, 2021	<u>(63,708)</u>
Lodging tax funds due to Liberty County Convention & Visitors Bureau at October 31, 2021	<u>\$ 18,328</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**

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**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 Intergovernmental Service Agreement 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 and water tank maintenance in the Fort Stewart Intergovernmental Service Agreement 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>
<b>Total pension liability</b>			
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	<u>(630,782)</u>	<u>(716,714)</u>	<u>(864,002)</u>
<b>Net change in total pension liability</b>	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>
<b>Plan fiduciary net position</b>			
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	<u>(20,605)</u>	<u>(24,643)</u>	<u>(23,668)</u>
<b>Net change in fiduciary net position</b>	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>
<b>Net pension liability (a) - (b)</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.

<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
\$ 246,963	\$ 237,021	\$ 227,603	\$ 283,126
1,637,604	1,666,643	1,768,610	1,929,175
(326,166)	462,237	125,449	311,031
390,674	-	1,737,795	-
58,474	287,968	-	-
(1,055,817)	(1,250,265)	(1,319,512)	(1,356,792)
951,732	1,403,604	2,539,945	1,166,540
21,658,288	22,610,020	24,013,624	26,553,569
<u>\$ 22,610,020</u>	<u>\$ 24,013,624</u>	<u>\$ 26,553,569</u>	<u>\$ 27,720,109</u>
\$ 798,035	\$ 797,982	\$ 716,266	\$ 897,712
3,098,018	315,757	2,402,296	2,945,562
(1,055,817)	(1,250,265)	(1,319,512)	(1,356,792)
(39,685)	(37,685)	(36,192)	(41,483)
2,800,551	(174,211)	1,762,858	2,444,999
16,965,660	19,766,211	19,592,000	21,354,858
<u>\$ 19,766,211</u>	<u>\$ 19,592,000</u>	<u>\$ 21,354,858</u>	<u>\$ 23,799,857</u>
<u>\$ 2,843,809</u>	<u>\$ 4,421,624</u>	<u>\$ 5,198,711</u>	<u>\$ 3,920,252</u>
87.42%	81.59%	80.42%	85.86%
\$ 8,533,233	\$ 8,410,412	\$ 8,969,026	\$ 8,950,340
33.33%	52.57%	57.96%	43.80%

**CITY OF HINESVILLE, GEORGIA**

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

---

	<b>2015</b>	<b>2016</b>	<b>2017</b>
Actuarially determined contribution	\$ 1,041,364	\$ 917,050	\$ 824,437
Contributions in relation to the actuarially determined contribution	1,041,364	934,596	755,734
Contribution deficiency (excess)	\$ -	\$ (17,546)	\$ 68,703
Covered 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%

---

<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
\$ 729,511	\$ 799,491	\$ 781,381	\$ 814,698
800,114	799,491	781,381	814,698
<u>\$ (70,603)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 8,666,623	\$ 8,533,233	\$ 8,410,412	\$ 8,969,026
9.23%	9.37%	9.29%	9.08%



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, 2021**

	<b>Special Revenue Funds</b>	
	<b>Multiple Grant Fund</b>	<b>Hotel/ Motel Tax Fund</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 439,432	\$ -
Receivables, net	-	31,214
Notes receivable, net	380,677	-
Due from other funds	265,385	-
Due from other governments	457,203	-
Total assets	<u>\$ 1,542,697</u>	<u>\$ 31,214</u>
<b>Liabilities and Fund Balances</b>		
Liabilities		
Accounts payable	\$ 51,796	\$ 18,328
Due to other funds	890,227	12,886
Unearned revenue	103,745	-
Total liabilities	<u>1,045,768</u>	<u>31,214</u>
Fund balances		
Restricted	-	-
Assigned	496,929	-
Total fund balances	<u>496,929</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 1,542,697</u>	<u>\$ 31,214</u>

<b>Capital Project Fund</b>			
<b>LMIG Fund</b>		<b>Total Nonmajor Governmental Funds</b>	
\$ -		\$ 439,432	
-		31,214	
-		380,677	
298,707		564,092	
-		457,203	
<u>\$ 298,707</u>		<u>\$ 1,872,618</u>	
\$ 4,415		\$ 74,539	
-		903,113	
-		103,745	
<u>4,415</u>		<u>1,081,397</u>	
294,292		294,292	
-		496,929	
<u>294,292</u>		<u>791,221</u>	
<u>\$ 298,707</u>		<u>\$ 1,872,618</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, 2021**

	<b>Special Revenue Funds</b>	
	<b>Multiple Grant Fund</b>	<b>Hotel/ Motel Tax Fund</b>
<b>Revenues:</b>		
Other taxes	\$ -	\$ 179,237
Intergovernmental	945,436	-
Total revenues	945,436	179,237
<b>Expenditures:</b>		
<b>Current:</b>		
Public safety	17,170	-
Public works	115,998	-
Housing and development	344,815	-
Health and welfare	366,674	-
Culture and recreation	17,704	-
Capital outlay	-	-
Intergovernmental	-	71,695
Total expenditures	862,361	71,695
Excess (deficiency) of revenues over (under) expenditures	83,075	107,542
<b>Other financing sources (uses)</b>		
Transfers In	27,505	-
Transfers Out	(63,161)	(107,542)
Total other financing sources (uses)	(35,656)	(107,542)
Net change in fund balances	47,419	-
<b>Fund balance - November 1</b>	449,510	-
<b>Fund balance - October 31</b>	\$ 496,929	\$ -

---

**Capital Project Fund**

<b>LMIG Fund</b>	<b>Total Nonmajor Governmental Funds</b>
\$ -	\$ 179,237
310,482	1,255,918
<u>310,482</u>	<u>1,435,155</u>
-	17,170
-	115,998
-	344,815
-	366,674
-	17,704
67,788	67,788
-	71,695
<u>67,788</u>	<u>1,001,844</u>
<u>242,694</u>	<u>433,311</u>
51,598	79,103
-	(170,703)
<u>51,598</u>	<u>(91,600)</u>
294,292	341,711
-	449,510
<u>\$ 294,292</u>	<u>\$ 791,221</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, 2021**

	Budgeted Amounts		Variance With Final
	Final	Actual	Budget
<b>Revenues</b>			
Intergovernmental	\$ 1,703,432	\$ 945,436	\$ (757,996)
Total revenues	<u>1,703,432</u>	<u>945,436</u>	<u>(757,996)</u>
<b>Expenditures</b>			
Public safety			
Police	22,693	17,170	5,523
Fire	109,423	-	109,423
Total public safety	<u>132,116</u>	<u>17,170</u>	<u>114,946</u>
Public works			
Highways and streets	300,000	115,998	184,002
Total public works	<u>300,000</u>	<u>115,998</u>	<u>184,002</u>
Housing and development			
Urban redevelopment	608,042	344,815	263,227
Total housing and development	<u>608,042</u>	<u>344,815</u>	<u>263,227</u>
Health and welfare			
Community development	681,651	366,674	314,977
Total health and welfare	<u>681,651</u>	<u>366,674</u>	<u>314,977</u>
Culture and recreation			
Parks and grounds	45,900	17,704	28,196
Total culture and recreation	<u>45,900</u>	<u>17,704</u>	<u>28,196</u>
Total expenditures	<u>1,767,709</u>	<u>862,361</u>	<u>905,348</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(64,277)</u>	<u>83,075</u>	<u>147,352</u>
<b>Other financing sources (uses)</b>			
Transfers In	152,023	27,505	(124,518)
Transfers Out	<u>(116,009)</u>	<u>(63,161)</u>	<u>52,848</u>
Total other financing sources (uses)	<u>36,014</u>	<u>(35,656)</u>	<u>(71,670)</u>
Net change in fund balances	(28,263)	47,419	75,682
<b>Fund balance - November 1</b>	<u>449,510</u>	<u>449,510</u>	<u>-</u>
<b>Fund balance - October 31</b>	<u>\$ 421,247</u>	<u>\$ 496,929</u>	<u>\$ 75,682</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, 2021**

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance With Final Budget
<b>Revenues</b>			
Other taxes	\$ 138,675	\$ 179,237	\$ 40,562
Total revenues	<u>138,675</u>	<u>179,237</u>	<u>40,562</u>
<b>Expenditures</b>			
<b>Current</b>			
Intergovernmental	55,470	71,695	(16,225)
Total expenditures	<u>55,470</u>	<u>71,695</u>	<u>(16,225)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>83,205</u>	<u>107,542</u>	<u>24,337</u>
<b>Other financing sources (uses):</b>			
Transfers Out	(83,205)	(107,542)	(24,337)
Total other financing sources (uses)	<u>(83,205)</u>	<u>(107,542)</u>	<u>(24,337)</u>
Net change in fund balances	-	-	-
<b>Fund balance - November 1</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance - October 31</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF HINESVILLE, GEORGIA**

**SCHEDULE OF EXPENDITURES OF  
SPECIAL PURPOSE LOCAL OPTION SALE TAX PROCEEDS  
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2021**

Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
<b><u>2009 Resolution</u></b>					
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	51,003	25,968	76,971
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>\$ 9,354,942</u>	<u>\$ 25,968</u>	<u>\$ 9,380,910</u>

**CITY OF HINESVILLE, GEORGIA**

**SCHEDULE OF EXPENDITURES OF  
SPECIAL PURPOSE LOCAL OPTION SALE TAX PROCEEDS  
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2021**

<b>Project Description</b>	<b>Original Estimated Cost</b>	<b>Revised Estimated Cost</b>	<b>Expenditures</b>		
			<b>Prior Years</b>	<b>Current Year</b>	<b>Total</b>
<b><u>2016 Resolution</u></b>					
Public Safety vehicles and equipment	\$ 1,000,000	\$ 1,000,000	\$ 421,892	\$ 98,374	\$ 520,266
Hinesville capital projects - Debt Service	3,150,000	3,150,000	1,605,445	458,698	2,064,143
Ryon Avenue/US 84 @ Bryant Commons	767,000	767,000	-	48,257	48,257
LMIG Road Match	300,000	300,000	100,000	50,000	150,000
Roadway and/or Drainage Infrastructure	600,000	600,000	163,320	-	163,320
Other City Projects:	5,950,454				
Main Street Curb & Gutter and sidewalks	-	1,238,226	29,968	54,898	84,866
McArthur Road and sidewalks	-	348,367	-	-	-
Fire Station	-	2,700,000	277,411	270,843	548,254
Bryant Commons Entrance & Loop Road	-	839,800	-	-	-
Balance of Ryon Ave @ Bryant Commons	-	76,700	600	-	600
Southside Park	-	742,108	-	39,393	39,393
Bradwell Park Renovations	-	5,253	38,729	584,688	623,417
Speed Humps	-	-	-	64,186	64,186
 Total all Projects	 <u>\$ 11,767,454</u>	 <u>\$ 11,767,454</u>	 <u>\$ 2,637,365</u>	 <u>\$ 1,669,336</u>	 <u>\$ 4,306,701</u>

**CITY OF HINESVILLE, GEORGIA**

**SCHEDULE OF EXPENDITURES OF  
TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALE TAX PROCEEDS  
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2021**

<b>Project Description</b>	<b>Original Estimated Cost</b>	<b>Revised Estimated Cost</b>	<b>Expenditures</b>		
			<b>Prior Years</b>	<b>Current Year</b>	<b>Total</b>
MLK/Fraser Dr (30% Project)	\$ 816,150	\$ 816,150	\$ -	\$ 2,853	\$ 2,853
Drainage Improvements - Sandy Run	-	20,000	-	2,035	2,035
Total all Projects	<u>\$ 816,150</u>	<u>\$ 836,150</u>	<u>\$ -</u>	<u>\$ 4,888</u>	<u>\$ 4,888</u>

# COMPONENT UNIT

**CITY OF HINESVILLE, GEORGIA**

**BALANCE SHEET  
COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY  
OCTOBER 31, 2021**

---

<b>Assets</b>	
Cash and cash equivalents	\$ 617,696
Restricted assets:	
Cash and cash equivalents	75,000
Assets held for resale	855,829
	<hr/>
Total assets	\$ 1,548,525
	<hr/> <hr/>
<b>Liabilities and Fund Balances</b>	
Liabilities	
Accounts payable	\$ 3,195
Due to other governments	450,627
Customer deposits	326
	<hr/>
Total liabilities	454,148
	<hr/> <hr/>
Fund balances	
Unassigned	1,094,377
	<hr/>
Total fund balances	\$ 1,094,377
	<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.	\$ 31,281
	<hr/>
Net position of component unit	\$ 1,125,658
	<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, 2021**

**Revenues:**

Charges for services	\$ 26,427
Intergovernmental	703,705
Interest revenues	50
Other revenues	7,800
Total revenues	737,982

**Expenditures:**

Administration	320,312
Housing and development	510,565
Total expenditures	830,877

Excess (deficiency) of revenues over (under) expenditures	(92,895)
--------------------------------------------------------------	----------

Net change in fund balances	(92,895)
-----------------------------	----------

<b>Fund balance - November 1</b>	1,187,272
----------------------------------	-----------

<b>Fund balance - October 31</b>	\$ 1,094,377
----------------------------------	--------------

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

Net change in fund balance - component unit	\$ (92,895)
---------------------------------------------	-------------

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	\$ (93,959)
------------------------------------------	-------------

CITY OF HINESVILLE, GEORGIA

BALANCE SHEET  
COMPONENT UNIT - HINESVILLE DEVELOPMENT AUTHORITY  
OCTOBER 31, 2021

---

<b>Assets</b>	
Cash and cash equivalents	\$ 58,175
Due from other governments	70,496
	<hr/>
Total assets	\$ 128,671
	<hr/> <hr/>
<b>Liabilities and Fund Balances</b>	
Accounts payable	\$ 3,690
Due to other governments	128,522
	<hr/>
Total liabilities	132,212
	<hr/> <hr/>
Fund balance (deficit)	
Assigned	(3,541)
	<hr/>
Total fund balance (deficit)	\$ (3,541)
	<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.	
Nondepreciable capital assets	\$ 360,487
 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)
	<hr/>
Net position of component unit	\$ 108,633
	<hr/> <hr/>

**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, 2021**

---

<b>Revenues:</b>	
Interest revenues	\$ 6
Other revenues	58,605
Total revenues	58,611
 <b>Expenditures:</b>	
Administration	3,351
Economic development	93,242
Debt service:	
Interest and fiscal charges	13,058
Total expenditures	109,651
Excess (deficiency) of revenues over (under) expenditures	(51,040)
Net change in fund balances	(51,040)
<b>Fund balance - November 1</b>	47,499
<b>Fund balance (deficit) - October 31</b>	\$ (3,541)

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

Net change in fund balance - component unit	\$ (51,040)
---------------------------------------------	-------------

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	91,137
-----------------------------------------------------------------	--------

Change in net position of component unit	\$ 40,097
------------------------------------------	-----------



HINESVILLE  
GEORGIA

## STATISTICAL SECTION

This part of the City of Hinesville’s Annual Comprehensive 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.

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b> -----	90
<i>These schedules contain trend information to help the reader understand how the city’s financial position has changed over time.</i>	
<b>Revenue Capacity</b> -----	100
<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>	
<b>Debt Capacity</b> -----	105
<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>	
<b>Demographic and Economic Information</b> -----	109
<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>	
<b>Operating Information</b> .....	112
<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 *Annual Comprehensive Financial Reports* for the relevant year.

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015*</u>
Governmental activities				
Net investment in capital assets	\$ 44,891,313	\$ 45,307,116	\$ 45,709,098	\$ 45,242,694
Restricted	171,859	113,152	-	215,700
Unrestricted	3,525,295	3,528,944	3,824,687	193,261
Total governmental activities net position	<u>\$ 48,588,467</u>	<u>\$ 48,949,212</u>	<u>\$ 49,533,785</u>	<u>\$ 45,651,655</u>
Business-type activities				
Net investment in capital assets	\$ 35,270,060	\$ 38,682,382	\$ 36,872,572	\$ 39,090,656
Restricted	1,489,051	1,416,215	902,015	740,360
Unrestricted	5,209,990	875,035	2,119,014	(809,813)
Total business-type activities net position	<u>\$ 41,969,101</u>	<u>\$ 40,973,632</u>	<u>\$ 39,893,601</u>	<u>\$ 39,021,203</u>
Primary government				
Net investment in capital assets	\$ 80,161,373	\$ 83,989,498	\$ 82,581,670	\$ 84,333,350
Restricted	1,660,910	1,529,367	902,015	956,060
Unrestricted	8,735,285	4,403,979	5,943,701	(616,552)
Total primary government net position	<u>\$ 90,557,568</u>	<u>\$ 89,922,844</u>	<u>\$ 89,427,386</u>	<u>\$ 84,672,858</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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 44,224,393	\$ 43,505,785	\$ 42,516,077	\$ 41,626,875	\$ 40,385,066	\$ 40,161,373
175,473	126,480	996,976	3,056,647	5,040,193	9,558,113
1,239,675	2,835,998	4,658,356	5,055,458	8,680,444	13,137,951
<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>	<u>\$ 62,857,437</u>
\$ 36,416,043	\$ 34,697,745	\$ 32,386,012	\$ 32,997,042	\$ 32,285,129	\$ 33,931,413
903,915	903,915	902,065	900,873	902,823	902,378
1,161,704	3,948,839	8,053,852	11,351,809	13,799,477	13,721,904
<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>	<u>\$ 48,555,695</u>
\$ 80,640,436	\$ 78,203,530	\$ 74,902,089	\$ 74,623,917	\$ 72,670,195	\$ 74,092,786
1,079,388	1,030,395	1,899,041	3,957,520	5,943,016	10,460,491
2,401,379	6,784,837	12,712,208	16,407,267	22,479,921	26,859,855
<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>	<u>\$ 111,413,132</u>

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Expenses</b>				
Primary government:				
Governmental activities:				
General government	\$ 2,819,021	\$ 2,579,432	\$ 2,787,319	\$ 2,671,074
Judicial	439,396	464,156	489,298	473,800
Public safety	9,863,394	9,787,757	9,927,371	9,245,840
Public Works	2,476,406	2,760,779	2,581,340	3,047,557
Housing and development	1,838,628	1,573,491	2,255,583	1,829,571
Health and welfare	684,546	669,911	743,587	682,611
Culture and recreation	791,773	866,305	864,952	821,679
Interest and fiscal changes	386,593	366,568	334,092	351,345
Total governmental activities expenses	<u>19,299,757</u>	<u>19,068,399</u>	<u>19,983,542</u>	<u>19,123,477</u>
Business-type activities:				
Water and sewer	9,185,009	9,391,144	9,285,371	9,170,103
Sanitation	2,644,447	2,609,542	2,756,948	2,726,225
Stormwater utility	1,218,301	1,257,788	1,317,097	1,320,860
Transit	1,525,441	999,418	862,768	892,172
Fort Stewart Grounds Maintenance	-	-	-	-
Total business-type activities expenses	<u>14,573,198</u>	<u>14,257,892</u>	<u>14,222,184</u>	<u>14,109,360</u>
Total primary government expenses	<u>33,872,955</u>	<u>33,326,291</u>	<u>34,205,726</u>	<u>33,232,837</u>
<b>Program revenues</b>				
Primary government:				
Governmental activities:				
Charges for services				
General government	997,898	1,078,032	1,105,783	1,023,920
Judiciary	102,504	92,582	100,641	107,613
Public safety	1,330,070	1,224,357	1,304,429	1,293,217
Public works	93,298	16,460	17,721	18,654
Housing and development	300,711	338,576	387,775	360,344
Operating grants and contributions	1,052,162	789,032	920,415	674,829
Capital grants and contributions	1,939,196	2,035,426	2,287,199	527,784
Total governmental activities program revenues	<u>5,815,839</u>	<u>5,574,465</u>	<u>6,123,963</u>	<u>4,006,361</u>
Business-type activities:				
Charges for services	12,503,738	12,086,334	12,217,064	12,645,790
Operating grants and contributions	604,998	556,466	418,520	436,148
Capital grants and contributions	46,828	432,300	-	-
Total business-type activities program revenues	<u>13,155,564</u>	<u>13,075,100</u>	<u>12,635,584</u>	<u>13,081,938</u>
Total primary government program revenues	<u>18,971,403</u>	<u>18,649,565</u>	<u>18,759,547</u>	<u>17,088,299</u>
<b>Net (expense) / revenue</b>				
Governmental activities	(13,483,918)	(13,493,934)	(13,859,579)	(15,117,116)
Business-type activities	(1,417,634)	(1,182,792)	(1,586,600)	(1,027,422)
Total primary government net (expense) / revenue	<u>(14,901,552)</u>	<u>(14,676,726)</u>	<u>(15,446,179)</u>	<u>(16,144,538)</u>

(Continued)

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

<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
\$ 2,655,291	\$ 2,905,460	\$ 2,667,071	\$ 2,921,312	\$ 3,181,179	\$ 3,146,069
497,030	505,069	463,165	299,009	293,311	337,142
9,655,137	9,852,898	9,815,109	10,734,917	11,385,046	10,804,520
3,111,754	2,812,958	3,803,578	4,014,287	3,459,915	3,817,145
1,664,079	2,129,339	1,721,698	1,917,074	1,941,082	1,891,517
669,871	701,923	761,102	953,307	1,053,405	1,368,403
832,611	941,725	851,389	892,926	892,493	345,029
160,528	142,853	131,931	122,836	113,504	103,913
<u>19,246,301</u>	<u>19,992,225</u>	<u>20,215,043</u>	<u>21,855,668</u>	<u>22,319,935</u>	<u>21,813,738</u>
9,420,497	8,945,220	9,105,838	9,592,558	10,298,591	10,660,140
2,854,564	2,902,614	3,155,106	3,069,620	3,252,807	3,421,519
1,380,540	1,339,530	1,361,657	1,461,797	1,399,288	1,578,910
687,820	787,852	807,070	904,230	921,360	1,055,519
-	-	-	-	685,722	2,474,181
<u>14,343,421</u>	<u>13,975,216</u>	<u>14,429,671</u>	<u>15,028,205</u>	<u>16,557,768</u>	<u>19,190,269</u>
<u>33,589,722</u>	<u>33,967,441</u>	<u>34,644,714</u>	<u>36,883,873</u>	<u>38,877,703</u>	<u>41,004,007</u>
1,144,260	1,195,795	1,193,594	1,280,575	1,244,120	1,513,258
95,970	67,697	67,729	80,060	63,913	69,536
1,424,465	1,343,421	1,223,497	1,384,994	1,419,438	1,529,100
17,469	19,483	17,551	19,194	20,912	20,795
364,919	387,134	367,315	593,025	310,575	309,397
410,166	900,993	594,834	796,603	2,723,001	1,401,409
403,131	1,133,282	2,823,248	2,678,902	3,066,765	6,342,880
<u>3,860,380</u>	<u>5,047,805</u>	<u>6,287,768</u>	<u>6,833,353</u>	<u>8,848,724</u>	<u>11,186,375</u>
12,939,435	13,910,665	14,783,174	16,590,101	17,044,130	19,132,747
437,283	520,803	620,733	1,459,868	867,631	1,432,724
-	297,652	462,000	259,527	151,162	-
<u>13,376,718</u>	<u>14,729,120</u>	<u>15,865,907</u>	<u>18,309,496</u>	<u>18,062,923</u>	<u>20,565,471</u>
<u>17,237,098</u>	<u>19,776,925</u>	<u>22,153,675</u>	<u>25,142,849</u>	<u>26,911,647</u>	<u>31,751,846</u>
(15,385,921)	(14,744,420)	(13,927,275)	(15,022,315)	(13,471,211)	(10,627,363)
(966,703)	753,904	1,436,236	3,281,291	1,505,155	1,375,202
<u>(16,352,624)</u>	<u>(13,990,516)</u>	<u>(12,491,039)</u>	<u>(11,741,024)</u>	<u>(11,966,056)</u>	<u>(9,252,161)</u>

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>General revenues and other changes in net position</b>				
Governmental activities:				
Taxes	14,224,947	14,025,576	14,581,189	15,430,521
Federal and state grants and other contributions not restricted to specific functions	20,956	19,937	17,176	14,127
Investment earnings	26,474	11,372	14,983	11,375
Other revenues	49,780	118,561	22,870	16,060
Gain on sale of assets	6,745	21,049	3,425	28,449
Transfers	(583,675)	(143,760)	(195,494)	(214,891)
 Total governmental activities general revenues and other changes in net position	 <u>13,745,227</u>	 <u>14,052,735</u>	 <u>14,444,149</u>	 <u>15,285,641</u>
 Business-type activities:				
Federal and state grants and other contributions not restricted to specific functions				
Intergovernmental	565,934	88,457	-	-
Other revenues	57,453	61,781	305,116	59,393
Investment earnings	9,384	6,997	5,959	6,019
Transfers	583,676	143,760	195,494	214,891
 Total business type activities general revenues and other changes in net position	 <u>1,216,447</u>	 <u>300,995</u>	 <u>506,569</u>	 <u>280,303</u>
 Total primary government general revenues and other changes in net position	 <u>14,961,674</u>	 <u>14,353,730</u>	 <u>14,950,718</u>	 <u>15,565,944</u>
 <b>Change in net position</b>				
Governmental activities	261,312	558,801	584,570	168,525
Business-type activities	(201,189)	(881,797)	(1,080,031)	(747,119)
Total primary government change in net position	<u>\$ 60,123</u>	<u>\$ (322,996)</u>	<u>\$ (495,461)</u>	<u>\$ (578,594)</u>

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

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
15,527,802	15,728,268	15,748,500	16,773,291	17,706,894	19,330,846
17,005	23,137	29,895	-	-	-
14,304	17,745	46,329	81,405	56,727	18,819
50,748	14,824	46,116	90,003	119,040	49,417
-	-	-	-	-	-
(209,252)	(237,632)	(240,419)	(354,813)	(44,727)	(19,985)
<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>	<u>19,379,097</u>
-	-	-	-	-	-
210,769	60,086	56,352	67,590	69,606	127,116
7,141	17,215	58,423	204,101	118,217	45,963
209,252	237,632	240,419	354,813	44,727	19,985
<u>427,162</u>	<u>314,933</u>	<u>355,194</u>	<u>626,504</u>	<u>232,550</u>	<u>193,064</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>	<u>19,572,161</u>
14,686	801,922	1,703,146	1,567,571	4,366,723	8,751,734
(539,541)	1,068,837	1,791,430	3,907,795	1,737,705	1,568,266
<u>\$ (524,855)</u>	<u>\$ 1,870,759</u>	<u>\$ 3,494,576</u>	<u>\$ 5,475,366</u>	<u>\$ 6,104,428</u>	<u>\$ 10,320,000</u>

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund				
Nonspendable	\$ 123,225	\$ 314,514	\$ 121,357	\$ 122,219
Restricted	66,400	125,313	104,935	112,550
Assigned	1,648,500	1,183,070	1,160,020	458,699
Unassigned	492,934	843,414	1,367,011	2,238,945
Total General fund	<u>2,331,059</u>	<u>2,466,311</u>	<u>2,753,323</u>	<u>2,932,413</u>
All Other Governmental Funds				
Restricted	171,859	113,150	113,150	103,150
Assigned	268,002	379,763	383,242	383,242
Total all other governmental funds	<u>\$ 439,861</u>	<u>\$ 492,913</u>	<u>\$ 496,392</u>	<u>\$ 486,392</u>

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

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 131,619	\$ 184,598	\$ 145,541	\$ 154,847	\$ 181,297	\$ 195,607
99,123	50,130	52,519	53,246	54,606	75,608
458,699	458,699	458,699	458,699	458,699	458,699
2,976,351	3,654,375	4,534,152	6,354,165	10,036,137	14,037,717
<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>	<u>14,767,631</u>
76,350	944,456	2,219,746	3,003,401	4,985,587	9,482,505
393,137	404,752	510,861	441,546	449,510	496,929
<u>\$ 469,487</u>	<u>\$ 1,349,208</u>	<u>\$ 2,730,607</u>	<u>\$ 3,444,947</u>	<u>\$ 5,435,097</u>	<u>\$ 9,979,434</u>

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Revenues:</b>				
Taxes	\$ 14,000,212	\$ 14,117,974	\$ 14,627,280	\$ 15,494,583
Licenses and permits	602,567	592,896	640,027	631,973
Charges for services	1,057,039	1,154,046	1,153,508	1,166,165
Intergovernmental	3,003,793	2,242,837	3,216,859	1,202,270
Fines, forfeitures, and fees	1,093,684	895,463	1,001,938	979,319
Interest revenues	26,473	11,372	14,983	11,375
Other revenues	149,032	125,756	132,872	116,711
Total revenues	<u>19,932,800</u>	<u>19,140,344</u>	<u>20,787,467</u>	<u>19,602,396</u>
<b>Expenditures:</b>				
Current:				
General government	2,547,978	2,327,486	2,436,995	2,515,770
Judicial	434,225	463,732	489,280	487,142
Public safety	9,581,411	9,580,853	9,703,697	9,464,265
Public works	1,496,661	1,926,623	1,523,233	1,607,665
Health and welfare	682,784	667,298	744,207	697,513
Culture and recreation	441,882	516,627	510,700	466,919
Housing and development	1,370,243	1,282,834	1,695,689	1,483,759
Capital outlay	1,615,917	333,171	1,146,265	624,338
Debt service:				
Principal	1,045,000	820,000	830,000	845,000
Interest and fiscal charges	381,233	359,360	339,070	350,084
Issuance costs	-	-	-	-
Intergovernmental Assistance	788,741	638,380	885,769	704,409
Total expenditures	<u>20,386,075</u>	<u>18,916,364</u>	<u>20,304,905</u>	<u>19,246,864</u>
Excess (deficiency) of revenues over (under) expenditures	(453,275)	223,980	482,562	355,532
Other financing sources (uses)				
Proceeds from the sale of capital assets	6,745	21,051	3,425	28,449
Transfers in	190,548	433,896	436,333	424,420
Transfers out	(774,223)	(577,656)	(631,827)	(639,311)
Insurance Recoveries	-	87,036	-	-
Total other financing sources (uses)	<u>(576,930)</u>	<u>(35,673)</u>	<u>(192,069)</u>	<u>(186,442)</u>
Net change in fund balances	<u>\$ (1,030,205)</u>	<u>\$ 188,307</u>	<u>\$ 290,493</u>	<u>\$ 169,090</u>
Debt service as a percentage of noncapital expenditures	7.61%	6.47%	6.16%	6.32%

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

*continued*

<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
\$ 15,566,083	\$ 15,790,940	\$ 15,723,781	\$ 16,794,649	\$ 17,642,516	\$ 19,359,381
660,685	701,765	656,531	846,456	588,310	613,247
1,238,511	1,271,603	1,351,997	1,394,296	1,302,794	1,562,822
824,700	2,249,470	3,442,632	3,434,943	5,757,959	7,728,121
1,037,609	945,535	790,149	1,033,348	1,100,755	1,177,825
14,304	17,745	46,330	117,040	86,108	40,519
132,278	100,575	130,680	177,824	196,249	125,691
<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>	<u>30,607,606</u>
2,462,081	2,736,332	2,539,817	2,667,362	2,919,721	2,955,206
506,583	506,101	476,210	300,920	287,789	335,652
9,893,703	10,104,362	10,120,127	10,848,313	11,052,926	11,166,110
1,645,126	1,515,733	1,623,466	1,699,598	1,866,419	1,964,087
678,024	703,449	770,010	949,845	1,048,531	1,384,300
457,749	556,603	474,183	525,003	495,621	542,429
1,310,841	1,730,534	1,448,479	1,559,787	1,610,102	1,532,113
397,314	192,353	1,079,305	1,208,480	506,380	940,065
296,149	313,673	324,557	333,575	342,844	352,369
162,550	145,027	134,142	125,123	115,855	106,329
-	-	-	-	-	-
738,324	774,102	686,877	681,351	683,845	727,732
<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>	<u>22,006,392</u>
925,726	1,799,364	2,464,927	2,899,199	5,744,658	8,601,214
-	-	-	-	-	-
309,792	337,164	362,868	280,073	230,128	249,806
(519,044)	(574,797)	(603,287)	(634,886)	(274,854)	(269,791)
-	-	-	-	-	-
(209,252)	(237,633)	(240,419)	(354,813)	(44,726)	(19,985)
<u>\$ 716,474</u>	<u>\$ 1,561,731</u>	<u>\$ 2,224,508</u>	<u>\$ 2,544,386</u>	<u>\$ 5,699,932</u>	<u>\$ 8,581,229</u>
2.52%	2.46%	2.38%	2.26%	2.22%	2.22%

**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								
2011 <sup>(1)</sup>	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 <sup>(1)</sup>	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 <sup>(1)</sup>	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 <sup>(1)</sup>	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 <sup>(1)</sup>	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 <sup>(1)</sup>	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 <sup>(1)</sup>	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 <sup>(1)</sup>	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 <sup>(1)</sup>	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%
2020 <sup>(1)</sup>	480,188,000	222,943,212	2,432,315	3,982,870	14,469,810	(45,913,765)	678,102,442	10.50	1,695,256,105	40%

(1) Source: Liberty County Tax Commissioner

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

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<b>Tax Digest Year</b>	<b>Total Millage Rate</b>	<b>City of Hinesville</b>	<b>Liberty County</b>	<b>Board of Education</b>	<b>Industrial Authority</b>	<b>Hospital Authority</b>	<b>State of Georgia</b>
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	-
2020	47.501	10.500	14.800	16.358	2.000	3.843	-

Source: Liberty County Tax Commissioner

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

<b>Taxpayer</b>	<b>2020 Tax Digest</b>			<b>2010 Tax Digest</b>		
	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Value</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Value</b>
Georgia Power Company	\$ 11,642,986	1	1.87%	\$ 6,923,513	1	1.46%
1300 Independence Place	9,383,409	2	1.51%	-		-
Liberty Club Apartments	8,251,143	3	1.32%	-		-
Tattersall Village Apts	7,366,335	4	1.18%	-		-
Comcast Cablevision	5,087,190	5	0.82%	-		-
Hinesville NNN, LLC	4,741,181	6	0.76%	-		-
Gregory Thomas Naylor	4,389,999	7	0.70%	-		-
JT Hinesville LP	3,965,829	8	0.64%	-		-
Wal-Mart Real Estate	3,649,921	9	0.59%	3,933,329	2	0.83%
Walmart Stores East	3,561,608	10	0.57%	3,279,698	4	0.69%
Liberty Square	-		-	-		-
Wyngrove Apartments	-		-	-		-
Lowes Home Center				1,944,715	9	0.41%
The Heritage Bank				1,889,552	10	0.40%
Lowes Center, LLC	-		-	2,774,437	5	0.58%
Hinesville Retail Investors	-		-	2,597,266	6	0.55%
Lowes Home Centers	-		-	-		-
The Hinesville Group	-		-	2,491,180	7	0.52%
Raintree Associates LTD	-		-	2,358,012	8	0.50%
WLN Development	-		-	-		-
Horsecreek Partners	-		-	3,695,601	3	0.78%
<b>Total</b>	<b>\$ 62,039,601</b>		<b>9.96%</b>	<b>\$ 31,887,303</b>		<b>6.71%</b>

**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>
2011	5,288,783	(41)	5,288,742	5,080,985	96.07%	204,311	5,285,297	99.93%
2012	5,904,662	(24,307)	5,880,355	5,670,199	96.43%	207,890	5,878,089	99.96%
2013	6,273,751	(150,324)	6,123,426	5,958,723	97.31%	161,941	6,120,664	99.95%
2014	6,538,865	(82,613)	6,456,252	6,293,023	97.47%	158,517	6,451,540	99.93%
2015	6,421,496	(71,793)	6,349,703	6,255,445	98.52%	85,378	6,340,822	99.86%
2016	6,227,110	(47,053)	6,180,057	6,092,900	98.59%	80,260	6,173,161	99.89%
2017	6,207,598	(137,858)	6,069,740	6,028,026	99.31%	35,753	6,063,779	99.90%
2018	6,185,443	(44,988)	6,140,455	6,084,637	99.09%	48,797	6,133,434	99.89%
2019	6,171,458	(35,443)	6,136,015	6,082,701	99.13%	34,513	6,117,214	99.69%
2020	6,475,630	(4,789)	6,470,841	6,435,886	99.46%		6,435,886	99.46%

Source: Liberty County Tax Commissioner

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
January	\$ 332,999	\$ 261,994	\$ 261,020	266,204	244,441
February	356,869	343,330	292,382	284,642	292,871
March	382,608	315,621	314,874	266,474	295,532
April	339,411	266,344	279,745	280,220	275,660
May	341,352	280,246	291,239	284,390	271,471
June	350,028	286,869	286,409	293,808	284,358
July	349,351	305,581	292,715	303,645	274,709
August	334,425	383,121	292,388	294,338	273,711
September	328,283	279,687	288,794	299,112	270,335
October	316,440	264,256	289,435	278,486	280,987
November	306,122	279,612	281,209	275,889	283,806
December	351,168	309,012	312,866	311,082	268,153
Pro Rata Adjustment	1,076	322	1,737	428	1,426
<b>Total</b>	<b><u>\$ 4,090,133</u></b>	<b><u>\$ 3,575,996</u></b>	<b><u>\$ 3,484,813</u></b>	<b><u>\$ 3,438,717</u></b>	<b><u>\$ 3,317,460</u></b>
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
January	269,454	287,675	321,211	332,994	397,785
February	279,172	284,994	337,498	342,333	386,013
March	331,226	330,453	406,821	405,913	525,314
April	301,503	295,557	357,147	352,952	466,076
May	300,813	298,473	365,433	369,887	483,327
June	315,432	326,172	370,338	383,562	497,455
July	308,906	306,435	373,166	375,449	475,197
August	290,451	305,068	365,939	818,180	441,835
September	295,536	298,426	345,289	384,675	452,420
October	284,572	306,357	342,019	446,080	439,586
November	301,853	320,576	346,797	393,950	466,072
December	332,503	369,392	376,339	471,350	537,922
Pro Rata Adjustment	871	1,225	2,776	966	1,049
<b>Total</b>	<b><u>\$ 3,612,293</u></b>	<b><u>\$ 3,730,804</u></b>	<b><u>\$ 4,310,772</u></b>	<b><u>\$ 5,078,291</u></b>	<b><u>\$ 5,570,051</u></b>

**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]
2018-2021	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**

<b>Fiscal Year Ended October 31,</b>	<b>Total Water Customers</b>	<b>Daily Water Consumption</b>		<b>Total Sewer Customers</b>	<b>Daily Sewer Consumption</b>		<b>Annual Water Consumption by Type (in thousands of gallons)</b>			
		<b>Peak (MGD)</b>	<b>Average (MGD)</b>		<b>Peak (MGD)</b>	<b>Average (MGD)</b>	<b>Residential</b>	<b>Industrial</b>	<b>Commercial</b>	<b>Government</b>
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
2021	11,942	3.141	3.482	11,759	5.797	5.125	894,133	608	180,795	19,250

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

<b>Customer</b>	<b>Gallons Metered</b>	<b>Water Revenue</b>	<b>Sewer Revenue</b>	<b>Total Revenue</b>
Liberty Regional Hospital	207,078	69,244	69,192	138,436
Summerwind Condos	169,173	56,546	56,493	113,040
Independence Place	129,427	43,262	43,223	86,485
Raintree Apartments	118,048	39,441	39,393	78,834
Tattersall Village	113,404	38,864	38,829	77,692
Shady Oaks MHP	93,742	31,277	31,224	62,501
Happy Acres MHP	90,480	30,184	30,131	60,315
Pines at Willowbrook	90,427	30,166	30,113	60,280
Northgate Apts	78,581	26,198	26,145	52,343
Colonial Park Townhomes	77,768	25,925	25,873	51,798
<b>Totals</b>	<b><u>1,168,128</u></b>	<b><u>\$ 391,108</u></b>	<b><u>\$ 390,616</u></b>	<b><u>\$ 781,724</u></b>

Source: City of Hinesville Water Department

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

<b>Fiscal Years Ended October 31,</b>	<b>Assessed value of taxable property</b>	<b>Debt Limit (10% of assessed value)</b>	<b>Amount of outstanding debt applicable to debt limit</b>	<b>Legal debt margin</b>	<b>Total Net Debt Applicable to the Limit as a Percentage of Debt Limit</b>
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
2021	678,102,442	67,810,244	-	67,810,244	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			
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	1.00%	309
2014	6,451,969	-	-	8,771,483	4,536,172	19,759,624	0.93%	303
2015	5,610,000	-	-	8,021,983	6,482,638	20,114,621	0.96%	322
2016	5,313,851	-	-	7,275,131	18,855,402	31,444,384	1.49%	479
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	2.01%	697
2019	4,342,057	-	-	4,927,375	34,818,494	44,087,926	1.92%	717
2020	3,999,200	-	-	4,120,242	35,798,368	43,917,810	1.74%	697
2021	3,646,831	-	-	3,299,033	34,165,143	41,111,007	1.63%	653

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, 2021**

<b>Jurisdiction</b>	<b>Amount of Authorized Overlapping Debt</b>	<b>Amount of Outstanding Debt as of 10/31/2021</b>	<b>Percentage Applicable to the City of Hinesville <sup>(a)</sup></b>	<b>Amount Applicable to the City of Hinesville</b>
<b>City of Hinesville, Georgia - Direct Debt</b>				
Public Facilities Authority Bonds, Refunding Revenue Bond (City of Hinesville Projects), Series 2015	\$ 5,610,000	\$ 3,646,831	100.00%	\$ 3,646,831
Subtotal direct debt				<u>3,646,831</u>
<b>Liberty County, Georgia - Overlapping Debt</b>				
Liberty County Projects Corporation, 2011 Series	4,772,039	3,153,019	42.96%	1,354,416
Public Facilities Authority Bonds, 2016 Series A	2,931,746	2,018,918	42.96%	867,250
Public Facilities Authority Bonds, 2016 Series B	1,404,608	1,027,691	42.96%	441,457
Public Facilities Authority Bonds, 2016 Series V	3,113,965	2,751,925	42.96%	1,182,121
Public Facilities Authority Bonds, 2017 Series	16,821,000	10,930,000	42.96%	4,695,108
Subtotal overlapping debt				<u>8,540,351</u>
Total direct and overlapping debt				<u><u>\$ 12,187,182</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

<b>Water Revenue Bonds</b>						
<b>Fiscal Year</b>	<b>Utility Service Charges</b>	<b>Less: Operating Expenses <sup>(a)</sup></b>	<b>Net Available Revenue</b>	<b>Debt Service <sup>(b)</sup></b>		<b>Coverage Ratio</b>
				<b>Principal</b>	<b>Interest</b>	
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
2021	11,605,938	7,715,910	3,890,028	815,000	87,823	4.31

<sup>(a)</sup> Operating expenses do not include interest, depreciation, amortization expenses, or support departments such as administration & finance.

<sup>(b)</sup> 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 <sup>(1)</sup>	Personal Income <sup>(1)</sup>	Per Capita Personal Income <sup>(1)</sup>	Median Age <sup>(2)</sup>	Unemployment Rate <sup>(3)</sup>	School Enrollment <sup>(4)</sup>		
						Private	Public	Home Schooled
2012	65,451	1,971,389	27,334	27	9.60%	398	10,179	129
2013	64,135	1,973,145	28,104	27	9.80%	450	10,176	134
2014	65,198	2,116,122	24,923	27	7.90%	282	9,995	130
2015	62,467	2,092,196	18,476	27	7.10%	280	9,698	N/A
2016	65,600	2,106,985	21,059	27	5.90%	313	9,874	N/A
2017	64,510	2,174,356	21,739	26	4.20%	323	10,014	N/A
2018	63,482	2,202,269	35,805	27	4.30%	310	10,079	N/A
2019	61,497	2,299,102	37,424	27	3.80%	309	10,045	N/A
2020	63,004	2,525,236	40,087	28	5.20%	310	10,147	N/A
2021	63,004	* 2,525,236	* 40,087	* 29	7.00%	320	10,148	N/A

\*Informaion not yet avaiable from BEA, using FY 2020 information

(1)Source: Bureau of Economic Analysis (BEA): Regional Economic Accounts-estimates

(2)Source: U.S. Bureau of the Census, Census

(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 2020

	<u>City of Hinesville</u>	<u>Liberty County</u>	<u>State of Georgia</u>	<u>National</u>
Population, 2020	34,891	65,256	10,711,908	331,449,281
Persons under 5 years old, percent	10.40	10.40	6.20	6.00
Persons under 18 years old, percent	28.70	28.30	23.60	22.30
Persons 65 years old and over, percent	7.70	9.60	14.30	16.50
Female persons, percent	51.70	49.80	51.40	50.80
White persons, percent	40.20	46.90	60.20	76.30
Black or African American persons, percent	46.20	45.00	32.60	13.40
American Indian and Alaska Native persons, percent	0.50	0.80	0.50	1.30
Asian persons, percent	2.80	2.10	4.40	5.90
Native Hawaiian and Other Pacific Islander, percent	0.60	0.60	0.10	0.20
Two or More Races, percent	6.10	4.70	2.20	2.80
Hispanic or Latino, percent	14.60	12.70	9.90	18.50
White alone, not Hispanic or Latino, percent	31.80	37.70	52.00	60.10
High school graduates, percent of persons age 25+	91.70	90.70	87.10	88.00
Bachelor's degree or higher, percent of persons age 25+	19.50	18.30	31.30	32.10
Households	13,332	23,485	3,758,798	120,756,048
Persons per household	2.46	2.53	2.7	2.62
Median household income 2015-2019	\$ 47,563	\$ 48,007	\$ 58,700	\$ 62,843
Per capita money income, 2015-2019	22,555	22,811	31,067	34,103
Median value of owner-occupied housing	123,700	124,500	176,000	217,500
Land area, 2010 (square miles)	20.37	489.8	57,513.49	3,531,905

Source: Year 2020 U.S. Census Report

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

<b>Business</b>	<b>2021</b>			<b>2012</b>		
	<b>Number of Employees <sup>(1)</sup></b>	<b>Rank</b>	<b>Percentage of Total County Employment <sup>(2)</sup></b>	<b>Number of Employees <sup>(1)</sup></b>	<b>Rank</b>	<b>Percentage of Total County Employment <sup>(2)</sup></b>
Fort Stewart Civilian Employees	3,523	1	16.23%	3,575	1	11.41%
SNF, Inc.	1,650	2	6.81%	1,275	3	3.96%
Liberty County Board of Education	1,522	3	6.61%	1,825	2	6.32%
Target	1,195	4	2.77%	475	4	1.99%
Liberty Regional Medical Center	635	5	2.68%	550	6	2.22%
WalMart Super Center	546	6	2.31%	495	5	2.01%
Liberty County Board of Commissioners	435	7	1.91%	348	7	1.41%
Arconic Engines	296	8	1.81%			
Interstate Paper	247	9	1.11%	232	8	0.97%
City of Hinesville	217	10	0.90%	213	9	0.89%
<b>Totals</b>	<b>10,266</b>		<b>43.14%</b>	<b>8,988</b>		<b>33.08%</b>

(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

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<b>Fiscal Year Ended October 31,</b>	<b>General Government</b>	<b>Police Department</b>	<b>Municipal Court</b>	<b>Fire Department</b>	<b>Inspections</b>	<b>Total</b>
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
2021	36	110	4	52	15	217

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	2012	2013	2014	2015
Police				
Citations issued <sup>(1)</sup>	12,566	10,501	11,424	12,225
DUI Citations issued <sup>(1)</sup>	112	126	96	86
Warnings issued <sup>(1)</sup>	5,135	4,540	4,712	6,738
Crime Statistics: <sup>(2)</sup>				
Aggravated Assault	125	88	139	83
Auto Theft	46	69	46	48
Murder	1	4	1	1
Rape	22	10	7	9
Robbery	34	43	35	25
Burglary	425	371	353	223
Theft	1,117	1,117	1,147	1,002
Fire <sup>(3)</sup>				
Incident responses	3,463	3,074	3,260	3,343
Public Safety Education				
Events	280	294	425	359
Persons contacted	48,811	49,377	42,058	49,817

(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*

<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
10,826	10,735	8,898	10,694	12,445	9,837
149	130	111	90	146	112
5,773	5,096	5,006	6,559	7,019	5,103
154	166	125	121	188	192
36	56	44	27	33	29
1	2	1	2	2	3
14	21	11	11	5	14
49	33	33	23	22	27
209	244	230	149	121	119
1,071	1,051	1,015	865	642	520
3,539	3,558	2,723	2,698	2,174	2,500
450	427	415	334	105	128
34,123	26,628	31,233	27,899	9,763	10,740

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

<b>Function/Program</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	86	61	90	83	83	98	101	103	86	101
<b>Fire</b>										
Fire stations	2	2	2	2	2	2	2	2	2	2
Units (SUV, Cars)	9	9	9	8	9	16	14	15	15	15
Dive Van	2	2	2	1	1	1	-	-	-	-
Dive Boat	1	1	1	1	1	1	1	1	1	-
Fire Safety House	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
<b>Fire Trucks</b>										
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	-
Service trucks	1	1	1	1	1	1	1	1	1	-
Rescue	3	3	3	3	3	-	-	-	-	-
<b>Public works</b>										
Streets owned & maintained (miles) <sup>a</sup>	0.06	0.65	0.65	1.77	1.77	1.81	1.81	1.81	1.88	1.91
Right-of-ways maintained (miles) <sup>a</sup>	1.55	1.55	1.55	1.89	1.89	1.93	1.93	1.93	2.01	2.00
Trucks	23	26	26	11	11	11	11	11	11	11
Heavy Equip	21	23	23	18	18	18	18	18	18	18
<b>Water</b>										
Service trucks	7	7	7	7	7	7	7	7	7	1
Fire hydrants	1,249	1,264	1,282	1,303	1,318	1,304	1,342	1,305	1,312	1,415
Storage capacity (millions of gallons) <sup>b</sup>	4.50	4.50	4.50	4.50	4.50	4.50	4.25	4.25	4.25	4.25
<b>Wastewater</b>										
Treatment capacity per day (millions of gallons) #1	7.15	7.15	7.15	7.15	7.15	3.36	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
<b>Solid Waste</b>										
Garbage can collection trucks	8	8	8	7	7	7	7	7	7	7
Other collection trucks <sup>c</sup>	10	11	11	8	8	6	6	6	6	6
<b>Transit</b>										
Buses	9	9	9	9	9	9	9	10	10	10

Source: Various City departments.

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

<sup>a</sup> Data presented is in sq. miles.

<sup>b</sup> Water storage is available in six city-owned water towers.

<sup>c</sup> 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

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<b>Fiscal Year Ended October 31,</b>	<b>Residential Permits Issued</b>	<b>Residential Water ERUs</b>	<b>Residential Sewer ERUs</b>	<b>Commercial Permits Issued</b>	<b>Commercial Water ERUs</b>	<b>Commercial Sewer ERUs</b>
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
2021	153	153.00	153.00	2	1.78	1.00

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, 2021**

<b>Federal/Grantor/Pass-Through Grantor/Program or Cluster Title</b>	<b>Grant Identifying Number</b>	<b>Federal AL Number</b>	<b>Federal Expenditures</b>
<b>U.S. Department of Housing and Urban Development</b>			
Direct Programs:			
2019 Continuum of Care	GA0320L4B011904	14.267	25,717
<i>Total Continuum of Care Grants</i>			<u>25,717</u>
CDBG Entitlement Cluster			
Community Development Block Grant-Entitlement Grant	B-17-MC-13-0013	14.218	7,133
Community Development Block Grant-Entitlement Grant	B-18-MC-13-0013	14.218	2,114
Community Development Block Grant-Entitlement Grant	B-19-MC-13-0013	14.218	71,130
Community Development Block Grant-Entitlement Grant	B-20-MC-13-0013	14.218	148,474
Community Development Block Grant-Entitlement Grant	B-21-MW-13-0013	14.218	3,253
<i>Total CDBG Entitlement Grants</i>			<u>232,103</u>
Total Direct Programs			<u>257,820</u>
Pass through Georgia Department of Community Affairs			
Emergency Solutions Grant (Rapid Re-housing)	2020 20E ER 20C311	14.231	20,769
Emergency Solutions Grant (Coordinated Entry)	2020 20E ADM 20C373	14.231	15,530
<i>Total Emergency Solutions Grants</i>			<u>36,299</u>
Community HOME Investment Program (CHIP)	2018-109	14.239	179,260
<i>Total Community HOME Investment Grants</i>			<u>179,260</u>
Total Pass-through Programs			<u>215,559</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<b><u>\$ 473,379</u></b>
<b>U.S. Department of Justice</b>			
Direct Programs:			
2020 Ed Byrne Memorial	2020-DJ-BX-0165	16.738	11,017
<i>Total Ed Byrne Memorial Grants</i>			<u>11,017</u>
2020 Coronavirus Emergency Supplemental Funding	2020-VD-BX-1150	16.034	5,430
<i>Total Coronavirus Emergency Supplemental Grants</i>			<u>5,430</u>
Total Direct Programs			<u>16,447</u>
<b>Total U.S. Department of Justice</b>			<b><u>\$ 16,447</u></b>

CITY OF HINESVILLE, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2021

<u>Federal/Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Grant Identifying Number</u>	<u>Federal AL Number</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Commerce</b>			
Pass through U.S. Economic Development Administration			
2017 EDA Business Incubator	04-79-07284	11.300	93,241
<i>Total Economic Development Administration Grants</i>			<u>93,241</u>
Total Pass-through Programs			<u>93,241</u>
<b>Total U.S. Department of Commerce</b>			<b><u>\$ 93,241</u></b>
<b>U.S. Department of Transportation</b>			
Pass through Georgia Department of Transportation			
Federal Transit Cluster			
2021 Section 5307 Operating Assistance	T006116/GA-90-X334	20.507	562,848
2021 Section 5307 Capital Contracting Cost	T006116/GA-90-X334	20.507	342,883
2021 Section 5307 Capital Improvement Assistance	T006116/GA-90-X334	20.507	521,638
2022 Section 5307 Capital Cost of Contracting	T006845/GA-90-X417	20.507	11,614
<i>Total Federal Transit Grants</i>			<u>1,438,983</u>
2020 Transportation Alternative Program	00-153-93	20.205	115,998
<i>Total Transportation Alternative Grants</i>			<u>115,998</u>
Total Pass-through Programs			<u>1,554,982</u>
<b>Total U.S. Department of Transportation</b>			<b><u>\$ 1,554,982</u></b>
<b>U.S. Department of the Treasury</b>			
Pass through U.S. Department of Housing and Urban Development			
CDBG Coronavirus - Small Business Recovery CDBG-CV1	B-20-MW-13-0013	21.019	30,000
CDBG Coronavirus-Small Business Utilities & Mortgage CDBG-CV3	B-20-MW-13-0013	21.022	230,376
<i>Total Coronavirus Grants</i>			<u>260,376</u>
Pass through Georgia Governor's Office of Planning and Budget			
ARPA - Coronavirus State and Local Fiscal Recovery Fund		21.027	461,479
<i>Total ARPA Grants</i>			<u>461,479</u>
Total Pass-through Programs			<u>721,855</u>
<b>Total U.S. Department of the Treasury</b>			<b><u>\$ 721,855</u></b>
<b>Total Expenditures of Federal Awards</b>			<b><u>\$ 2,859,904</u></b>

**CITY OF HINESVILLE, GEORGIA**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF**  
**FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED OCTOBER 31, 2021**

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**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	\$ 26,329

**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, 2021.



**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**

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**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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 29, 2022.

**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.

*Mauldin & Jenkins, LLC*

Savannah, Georgia  
April 29, 2022



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

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**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, 2021. 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.

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### ***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, 2021.

### **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.

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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 29, 2022

*Mauldin & Jenkins, LLC*

**CITY OF HINESVILLE, GEORGIA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2021**

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**SECTION I  
SUMMARY OF AUDIT RESULTS**

**Financial Statements**

Type of auditor's report issued Unmodified

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

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

Noncompliance material to financial statements noted? \_\_\_ Yes   X   No

**Federal Awards**

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

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

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

Any audit findings disclosed that are required to  
be reported in accordance with the Uniform  
Guidance? \_\_\_ Yes   X   No

Identification of major program:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
20.507	U.S. Department of Transportation Federal Transit Cluster

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

Auditee qualified as low-risk auditee?   X   Yes \_\_\_ No

**CITY OF HINESVILLE, GEORGIA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2021**

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**SECTION II  
FINANCIAL STATEMENT FINDINGS AND RESPONSES**

None reported.

**SECTION III  
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None reported.

**CITY OF HINESVILLE, GEORGIA**

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2021**

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**STATUS OF PRIOR YEAR AUDIT FINDINGS**

None reported.