

HINESVILLE

GEORGIA

"Home for a Day or a Lifetime"

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE FISCAL YEAR
ENDED OCTOBER 31, 2023**

Prepared by:
City of Hinesville
Finance Department

CITY OF HINESVILLE, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED OCTOBER 31, 2023

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INTRODUCTORY SECTION

MAYOR
Karl A. Riles

CITY MANAGER
Kenneth K. Howard

CITY CLERK

CITY ATTORNEY
Linnie L. Darden, III



MAYOR PRO TEM
Vicky C. Nelson

COUNCIL MEMBERS
Diana F. Reid
Jason Floyd
Dexter Newby
Jose A. Ortiz, Jr.

April 26, 2024

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

We are pleased to present the Annual Comprehensive Financial Report (“ACFR”) of the City of Hinesville, Georgia (the “City”) for the fiscal year ended October 31, 2023 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, 2023.

The ACFR 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 (“MD&A”), basic financial statements for governmental and proprietary funds, notes to the financial statements and the combining and individual fund statements and schedules for the nonmajor governmental, special revenue, capital project, and proprietary funds. The Statistical Section presents selected and un-audited financial and demographic information.

The City’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, for the fiscal year ended October 31, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the

amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors have concluded, based upon their audit, that there was a reasonable basis for rendering an unmodified opinion that the City and its component unit's financial statements for the fiscal year ended October 31, 2023, are fairly presented, and conform to generally accepted accounting principles in the United States of America ("GAAP"). The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of an MD&A. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the auditor's report in the Financial Section of this report.

The City 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, 2023. The required reports are included in the Single Audit section of this report.

Profile of the Government

The City 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 is located in northern Liberty County. According to the 2020 census, the City has an estimated population of 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), the City is the largest city in Liberty County, the second largest city in the coastal region and the 33rd largest city in the State of Georgia. From 1980 to 1990, the City experienced a rapid period of growth and expansion. In 1980, the City's population stood at 11,309 people, 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 the City 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 long-time residents work together 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, the City 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 the City to include street maintenance, utility maintenance, sanitation, and stormwater services.

Public Safety

Police

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

In 2023, the Department issued 52,848 case numbers which are assigned to police activities including calls for service, walk and talks, direct patrols, assist citizens, etc. Officers responded to 21,132 calls for service including the following Part I crimes: 241 aggravated assault cases, 43 cases of auto theft, 2 homicides, 9 rape cases, 25 robbery cases, 85 cases of burglary, 6 cases of arson and 168 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"). The City's police officers arrested 251 juvenile offenders and 2,169 adult offenders during 2023. On the road, the patrol division and the traffic section worked 1,420 accidents, wrote 12,340 citations, and gave 5,790 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, Safe Kids Day and Shop with A Cop.

Municipal Court

The municipal court represents the City'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'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 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 Insurance Services Office (“ISO”) 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/she 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 to obtain his/her 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 3,000 emergency incidents per year with an average response time within the City limits of less than five minutes. Since 2003, the department has grown from five personnel on shift with three administrative staff to 16 personnel on shift with an administrative staff of ten.

The department provides more than just fire protection to our citizens. It provides many other services including 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 (“GSAR”) and dive team. It is a pro-active department that stresses professionalism and gives a high standard of service to our customers, both external and internal.

The smoke detector program, stove-top fire stop program, and the Hazard House are examples of some of the public safety programs provided by the department. Citizens contacted through these programs range from very young children to senior citizens in our community. Our programs are scheduled in all of Liberty County schools as well as many public and civic events around the City to ensure that our community is educated in emergency procedures during a fire and to recognize fire hazards.

The City’s fire department provides four personnel to the regional GSAR team. Each member is required to have extensive training to include rope rescue, swift water rescue, heavy machinery extrication, structural collapse, confined space, and trench rescue. This training takes approximately 11 months for each member.

The Hinesville Fire Department’s 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 the City 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. Most businesses will correct the violation within the first 30 days.

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.

Local Economy

The City continues to be a prosperous municipality. With over 1,400 registered businesses, the City also issues over 1,600 licenses and permits each year. For fiscal year 2023, the business license office issued 125 new licenses. The City 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 five counties and is adjacent to the City's downtown area. The main gate into Fort Stewart is located within the City. Over 70% of military personnel residing off the installation live in the City. Fort Stewart and the City are inextricably linked both economically and culturally. More than any other factor, Fort Stewart has shaped the economic health and image of the City.

Downtown Revitalization

The City 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 2023 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 and 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 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'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 2023 fiscal year and the auditor's unmodified opinion has been included in this report.

Awards and Acknowledgements

The 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 2022. To be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized ACFR. 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 2022. 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 ACFR 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 2023 and the preparation of this report.

Respectfully submitted,



Kimberly T. Ryon
Chief Financial Officer

CITY OF HINESVILLE, GEORGIA

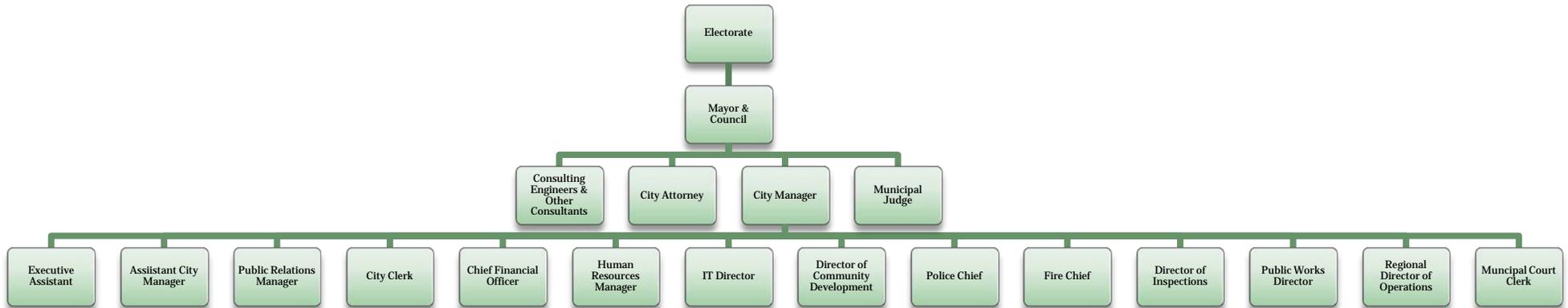
PRINCIPAL OFFICIALS

OCTOBER 31, 2023

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	
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, GEORGIA

ORGANIZATIONAL CHART OCTOBER 31, 2023





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, 2022

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the 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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of October 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the General Fund and American Rescue Plan Act ("ARPA") Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 5 – 17), the Schedule of Changes in the City's Net Pension Liability and Related Ratios (on pages 65 and 66), and the Schedule of City Contributions (on pages 67 and 68) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, the balance sheet – component units, the schedule of revenues, expenditures and changes in fund balance – component units, the schedules of expenditures of the Special Purpose Local Option Sales Tax ("SPLOST") proceeds as required by the Official Code of Georgia Annotated ("O.C.G.A.") §48-8-121, the schedule of expenditures of Transportation Special Purpose Local Option Sales Tax ("TSPLOST") proceeds as required by the O.C.G.A. §48-8-269.5, and the Schedule of Expenditures of Federal Awards as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") are presented for the purpose of additional analysis and are not required parts of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, the balance sheet – component units, the schedule of revenues, expenditures and changes in fund balance – component units, the schedules of expenditures of SPLOST proceeds, the schedule of expenditures 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.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Hinesville, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Savannah, Georgia
April 26, 2024

CITY OF HINESVILLE, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS OCTOBER 31, 2023

As management of the City of Hinesville, Georgia (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, 2023. 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 \$133,343,354 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 \$85,714,905. 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, retainage payable and unspent bond proceeds. Net investment in capital assets increased by \$9,013,372, or 11.75%, in fiscal year 2023. This increase can be attributed to the construction of a new fire station and the reduction of debt.
 - 2) Net position of \$16,603,120 is restricted by constraints imposed from outside the City such as debt covenants, grantors, laws or regulations. This is a \$1,778,822, or 12%, increase from fiscal year 2022's restricted net position. The increase can be attributed to Capital Projects Funds, specifically Special Purpose Local Option Sales Tax ("SPLOST") and Transportation Special Purpose Local Option Sales Tax ("TSPLOST").
 - 3) Unrestricted net position of \$31,025,329 represents the portion that is available to meet the City's ongoing obligations to citizens and creditors. This is a \$1,360,890, or 4.59%, increase from fiscal year 2022 unrestricted net position of \$29,664,439.
- The government's total net position increased by \$12,153,084, or 10.03%.
 - 1) Net position related to governmental activities increased by \$11,008,855. This increase can be largely attributed to the increase in sales tax revenue and the collection of SPLOST and TSPLOST with low project (expenditure) activity at this time.
 - 2) Net position related to business-type activities increased by \$1,144,229. This increase is a result of increased revenue. The revenue increase is a result of growth and increased usage.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$39,227,599, an increase of \$6,803,633 in comparison with the prior year. Fund balance in the General Fund increased \$2,494,918 which was a result of increased tax revenue and managing expenses. Fund balance in the SPLOST and TSPLOST funds increased by \$1,522,784 and \$2,708,076, respectively. This is a result of continued collections and limited project activity at this time. Fund balance nonmajor governmental funds increased by \$77,855.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Approximately 49% of the City's governmental funds total fund balance, or \$19,061,254, is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$19,061,254, or approximately 82% of total General Fund expenditures for the fiscal year.
- The City's total debt decreased by \$3,053,368 in fiscal year 2023.
 - Debt related to governmental activities decreased by \$372,223. The detail of the change is:
 - principal payment on Revenue Bonds Refunding, Series 2015 in the amount of \$372,223.
 - Debt related to business-type activities decreased by a net of \$2,681,145. This detail of the change is:
 - principal payments on Water and Sewerage Revenue Bonds in the amount of \$733,828.
 - principal payments on 2009 Georgia Environmental Finance Authority ("GEFA") debt for the Stormwater Utility Fund in the amount of \$122,462.
 - principal payments on 2012 GEFA debt in the Water and Sewer Fund in the amount of \$83,193.
 - principal payments on 2014 GEFA debt for upgrades to the Wastewater Treatment Plant in the Water and Sewer Fund in the amount of \$1,003,979.
 - principal payments on 2015 GEFA debt for the Supervisory Control and Data Acquisition ("SCADA") system in the Water and Sewer Fund in the amount of \$32,311.
 - principal payments on 2015 GEFA debt for the extension of reuse water lines in the Water and Sewer Fund in the amount of \$29,711.
 - principal payments on 2016 GEFA debt for the water tanks raising in the Water and Sewer Fund in the amount of \$92,927.
 - principal payments on 2016 GEFA debt for the City's pump station and force main repairs in the Water and Sewer Fund in the amount of \$279,339.
 - principal payments on financed purchases in the Stormwater Utility Fund, in the amount of \$74,224.
 - principal payments on financed purchases in the Fort Stewart Grounds Maintenance Fund, in the amount \$229,171.
- The City's revenues for fiscal year 2023 total \$60,957,144. Of this amount, \$38,802,021, or 64%, was generated from program revenues. The balance of \$22,155,123, or 36%, was generated from general revenues.
- The City's program expenses for fiscal year 2023 total \$48,804,060. Of this amount, \$26,296,706, or 54%, was generated from governmental activities. The balance of \$22,507,354, or 46%, was generated from business-type activities.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview of the Financial Statements

This Management's Discussion and Analysis ("MD&A") is intended to serve as an introduction to the 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.

Basic Financial Statements

The first two statements (pages 18 – 20) in the basic financial statements are the *Government-wide Financial Statements*. They provide both short and long-term information about the City's financial status.

The next statements (pages 21 – 35) 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 to Financial Statements*. The notes to financial statements explain in detail some of the data contained in those statements. After the notes, *supplemental information* is provided to show details about the City's individual funds. Budgetary information required by the general statutes also can be found in this part of the statements.

Government-wide Financial Statements

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

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

The government-wide financial statements are on pages 18 – 20 of this report.

Fund Financial Statements

The fund financial statements provide a more detailed look at the City's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and reflect compliance (or noncompliance) with finance-related legal requirements, such as the general statutes or the City's budget ordinance. All of the funds of City 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 governmental 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 adopts annual budgets for the General Fund and Special Revenue Funds, as required by state statute. The budget is a legally adopted document that incorporates input from the citizens of the City, the management of the City, and the decisions of the Council about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund and Multiple Grant Fund demonstrates how well the City complied with the budget ordinance and whether or not the City succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the Statement of Revenues, Expenditures and Changes in Fund Balance. The statement shows four columns: 1) the original budget as adopted by the Council; 2) the final budget as amended by the Council; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

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

Proprietary Funds – The City has five proprietary funds. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer services, sanitation services, stormwater 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, Stormwater Utility Fund and Fort Stewart Grounds Maintenance Fund.

The basic proprietary fund financial statements can be found on pages 28 – 35 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Notes to 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 36 – 64 of this report.

Government-Wide Financial Analysis

In order to allow for useful comparative analysis, government-wide financial information is provided for fiscal years ended October 31, 2023 and 2022.

City of Hinesville's Net Position October 31, 2023 and 2022

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets:						
Assets						
Current and other assets	\$ 43,625,953	\$ 40,812,864	\$ 14,079,574	\$ 17,919,075	\$ 57,705,527	\$ 58,731,939
Capital assets, net	51,086,602	47,061,883	70,858,273	68,974,668	121,944,875	116,036,551
Total Assets	<u>94,712,555</u>	<u>87,874,747</u>	<u>84,937,847</u>	<u>86,893,743</u>	<u>179,650,402</u>	<u>174,768,490</u>
Deferred outflows of resources	<u>3,525,243</u>	<u>2,780,470</u>	<u>109,028</u>	<u>85,992</u>	<u>3,634,271</u>	<u>2,866,462</u>
Liabilities:						
Liabilities						
Long-term liabilities	6,227,151	6,535,241	32,052,465	34,737,126	38,279,616	41,272,367
Other liabilities	3,273,077	7,386,147	2,318,757	2,741,954	5,591,834	10,128,101
Net pension liability	5,651,077	2,224,476	174,776	68,798	5,825,853	2,293,274
Total Liabilities	<u>15,151,305</u>	<u>16,145,864</u>	<u>34,545,998</u>	<u>37,547,878</u>	<u>49,697,303</u>	<u>53,693,742</u>
Deferred inflows of resources	<u>236,696</u>	<u>2,668,411</u>	<u>7,320</u>	<u>82,529</u>	<u>244,016</u>	<u>2,750,940</u>
Net Position:						
Net investment in capital assets:						
Restricted	47,412,558	42,783,697	38,302,347	33,917,836	85,714,905	76,701,533
Unrestricted	16,565,267	14,040,170	37,853	784,128	16,603,120	14,824,298
Total net position	<u>\$ 82,849,797</u>	<u>\$ 71,840,942</u>	<u>\$ 50,493,557</u>	<u>\$ 49,349,328</u>	<u>\$ 133,343,354</u>	<u>\$ 121,190,270</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 \$133,343,354 and \$121,190,270 at October 31, 2023 and 2022, respectively.

The largest portion of the City's net position, \$85,714,905 (64%), 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, retainage payable and unspent bond proceeds. 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

An additional portion of the City's net position, \$16,603,120, or 13%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of the City's net position, \$31,025,329, or 23%, 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 2023 and 2022:

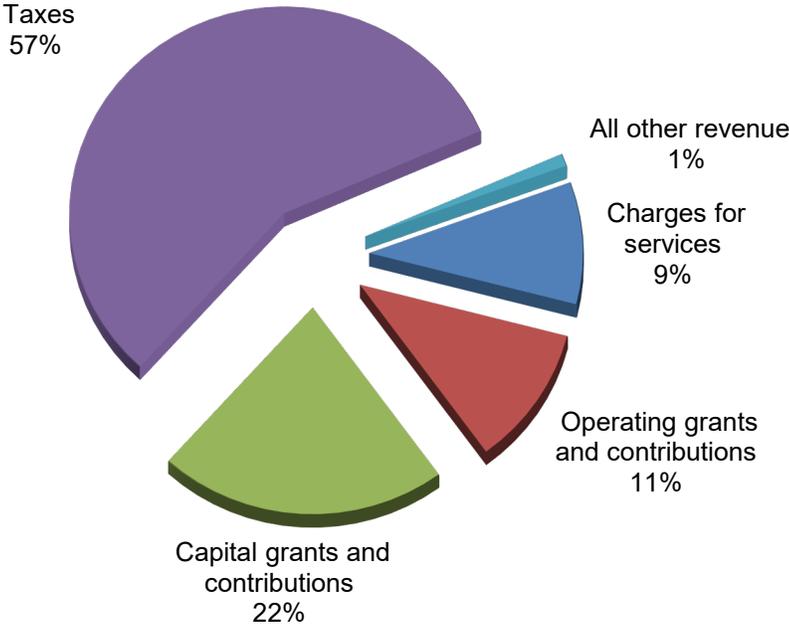
City of Hinesville's Changes in Net Position						
October 31, 2023 and 2022						
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 3,594,002	\$ 3,696,899	\$ 21,929,875	\$ 21,151,163	\$ 25,523,877	\$ 24,848,062
Operating grants and contributions	4,128,945	1,427,187	953,476	895,245	5,082,421	2,322,432
Capital grants and contributions	8,195,723	6,603,854	-	-	8,195,723	6,603,854
General revenues:						
Taxes	21,365,136	20,183,276	-	-	21,365,136	20,183,276
Other revenue	126,392	79,984	92,184	77,267	218,576	157,251
Gain (loss) on sale of capital assets	-	-	-	14,725	-	14,725
Unrestricted investment earnings	237,953	56,876	333,458	51,684	571,411	108,560
Total revenues	37,648,151	32,048,076	23,308,993	22,190,084	60,957,144	54,238,160
Expenses:						
General government	4,329,611	3,186,890	-	-	4,329,611	3,186,890
Judiciary	341,594	294,547	-	-	341,594	294,547
Public safety	13,648,779	11,750,278	-	-	13,648,779	11,750,278
Public works	4,168,207	3,981,546	-	-	4,168,207	3,981,546
Housing and development	1,704,549	1,666,331	-	-	1,704,549	1,666,331
Health and welfare	826,217	640,006	-	-	826,217	640,006
Culture and recreation	1,093,749	1,068,997	-	-	1,093,749	1,068,997
Interest and fiscal charges	184,000	158,946	-	-	184,000	158,946
Water and sewer	-	-	12,482,387	12,053,133	12,482,387	12,053,133
Sanitation	-	-	3,973,475	3,730,347	3,973,475	3,730,347
Stormwater utility	-	-	1,645,631	1,616,092	1,645,631	1,616,092
Transit	-	-	1,166,348	1,333,033	1,166,348	1,333,033
Fort Stewart IGSA's	-	-	3,239,513	2,980,876	3,239,513	2,980,876
Total expenses	26,296,706	22,747,541	22,507,354	21,713,481	48,804,060	44,461,022
Change in net position before transfers	11,351,445	9,300,535	801,639	476,603	12,153,084	9,777,138
Transfers	(342,590)	(317,030)	342,590	317,030	-	-
Change in net position	11,008,855	8,983,505	1,144,229	793,633	12,153,084	9,777,138
Net position, beginning of year	71,840,942	62,857,437	49,349,328	48,555,695	121,190,270	111,413,132
Net position, end of year	\$ 82,849,797	\$ 71,840,942	\$ 50,493,557	\$ 49,349,328	\$ 133,343,354	\$ 121,190,270

MANAGEMENT’S DISCUSSION AND ANALYSIS

Governmental activities – Governmental activities increased the City’s net position by \$11,008,855 and \$8,983,505 as of October 31, 2023 and 2022, respectively. In 2023, the increase in net position can largely be attributed to an increase in property tax revenue and sales tax collections. The City has continued to see growth in sales tax revenue. As more businesses become attracted to our community and open retail and restaurant establishments, our citizens seem to be shopping more at home and we are attracting more consumers from nearby towns. The City also collects SPLOST and TSPLOST. The projects related to TSPLOST are in the planning stages, thus the expenditures are fairly low at this time. The disproportion of the revenues to expenditures at this stage also contributed greatly to the increase in net position. As these projects move into construction, the City expects our net position to decrease.

The chart below illustrates the governmental activities revenue by source. Taxes constitute the largest single revenue line item at \$21,365,136, or 57%, of total revenue in 2023 and \$20,183,276, or 63%, of total revenue in 2022. Charges for services represent 10% of total revenue in 2023 at \$3,594,002 and 12% in 2022. Capital grants and contributions represent 22% and 21% of total revenue in 2023 and 2022 at \$8,195,723 and \$6,603,854, respectively.

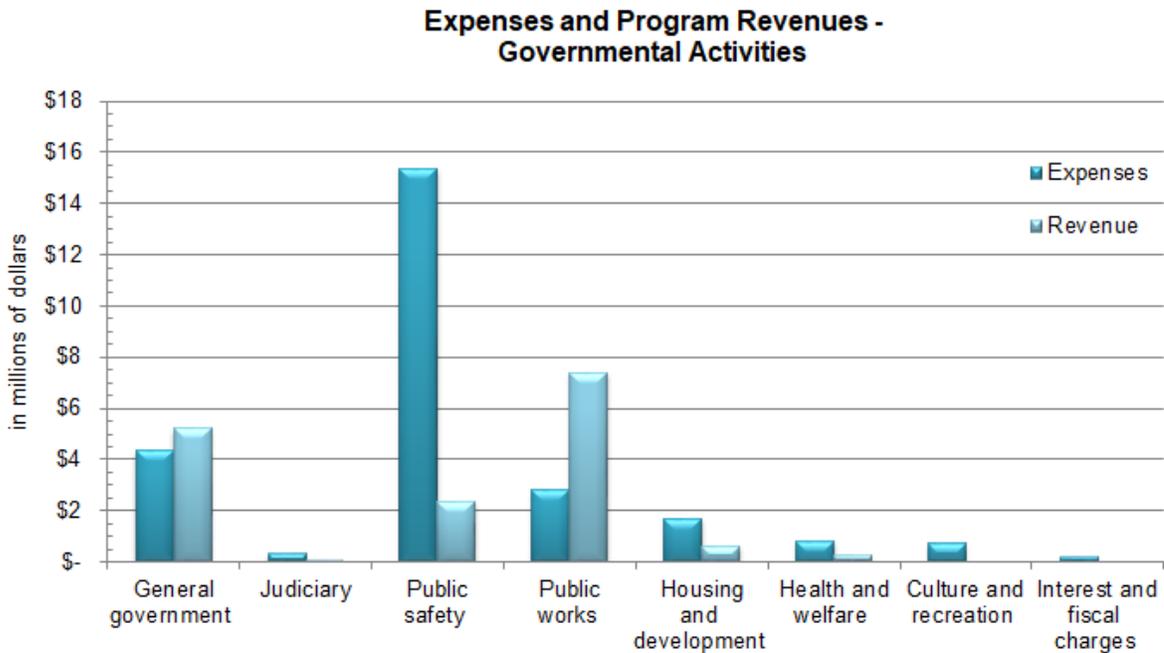
Revenues by Source - Governmental Activities



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’s net position by \$1,144,229 and \$793,633 as of October 31, 2023 and 2022, 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 \$21,929,875, or 94%, and operating grants and contributions are the second largest revenue source constituting \$953,476, or 4% of total revenue in 2023. In 2022, charges for services constitute a major portion of revenue at \$21,151,163, or 95%, and operating grants and contributions are the second largest revenue source constituting \$895,245, or 4% of total revenue.

Financial Analysis of the City’s Funds

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Funds – The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the City'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 \$19,061,254, while fund balance totaled \$23,417,267. 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 81% of total General Fund expenditures, while total fund balance represents 101% of that same amount.

At October 31, 2023, the governmental funds of City reported a combined fund balance of \$39,227,599. This is an increase of \$6,803,533 from October 31, 2022. Fund balance in the General Fund increased \$2,494,918. This increase is the result of revenues collected at a much higher rate than anticipated and expenditures being managed under what was budgeted (see more details in the Budgetary Highlights). Fund balance in the SPLOST fund increased by \$1,522,784 due to the completion of some projects in the prior fiscal year. As other projects get started, we expect this fund balance to go down. Fund balance in the TSPLOST fund increased by \$2,708,076. This is a result of receiving funds from the sales tax but expenditures of TSPLOST projects have not been limited. Fund balance in nonmajor governmental funds increased by \$77,855.

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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

At October 31, 2023, total actual revenues were more than total final budgeted revenues in the General Fund by \$2,123,841. The table below shows the variance by revenue type:

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

	FY 2023 Budget	FY 2023 Actual	Variance - Positive/ (Negative)
Property taxes	\$ 8.97	\$ 9.51	\$ 0.54
Sales taxes	5.81	6.25	0.44
Franchise taxes	1.75	1.78	0.03
Insurance premium taxes	2.99	3.09	0.10
Other taxes	0.49	0.48	(0.01)
Licenses and permits	0.72	0.89	0.17
Charges for services	1.67	1.42	(0.25)
Intergovernmental	0.17	0.92	0.75
Fines, forfeitures, and fees	1.12	1.21	0.09
Interest revenues	0.03	0.22	0.19
Other revenues	0.15	0.22	0.07
Total revenues	\$ 23.87	\$ 25.99	\$ 2.12

In fiscal year 2023, the budgeted revenue increase can largely be attributed to intergovernmental revenue (\$751,946), property tax revenues (\$549,889) and sales tax revenue (\$443,348). The City's intergovernmental revenue was higher than anticipated due to a grant received in the amount of \$800,000 from the City of Flemington for the purchase of a fire engine. The City experienced growth in our property tax digest accounting for the variance in the budgeted property tax revenue. The City continued to experience a larger than expected growth in our sales tax revenue in fiscal year 2023. We will continue to monitor our revenue trends but will likely remain conservative in our initial projections.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Total actual expenditures were less than total budgeted expenditures in the General Fund by \$240,084 at October 31, 2023.

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

	FY 2023 Budget	FY 2023 Actual	Variance - Positive/ (Negative)
General government	\$ 3.77	\$ 4.09	\$ (0.32)
Judicial	0.37	0.33	0.04
Public safety	13.31	13.38	(0.07)
Public works	2.23	2.21	0.02
Health and welfare	0.77	0.59	0.18
Culture and recreation	0.68	0.62	0.06
Housing and development	1.52	1.32	0.20
Interest and fiscal charges	0.04	-	0.04
Intergovernmental	0.79	0.70	0.09
Total expenditures	\$ 23.48	\$ 23.24	\$ 0.24

In fiscal year 2023, there were no notable variances in budget to actual expenditures. The small variances in most functions were a result of managing expenditures in the departments.

Proprietary Funds – The City’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 \$13,459,292 in the Water and Sewer Fund, \$39,356 in the Sanitation Fund, (\$1,434,480) in the Stormwater Utility Fund, \$74,378 in the Fort Stewart Intergovernmental Service Agreements (“IGSAs”) Fund and \$14,811 in nonmajor proprietary fund (transit). Other factors concerning the finances of these funds have been addressed in the discussion of the City’s business-type activities.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Asset and Debt Administration

Capital assets – The City's investment in capital assets for its governmental and business-type activities total \$121,944,875 and \$116,036,551 (net of accumulated depreciation) as of October 31, 2023 and 2022, respectively. These assets include buildings, infrastructure, land, heavy equipment, equipment, and office furniture. The table below shows the investment in each property type for the City's governmental and business-type activities.

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

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 1.91	\$ 1.91	\$ 0.02	\$ 0.02	\$ 1.93	\$ 1.93
Construction in progress	10.97	5.59	5.25	0.93	16.22	6.52
Buildings and improvements	10.52	11.02	-	-	10.52	11.02
Utility plant in service	-	-	57.47	59.90	57.47	59.90
Vehicles	1.13	0.90	-	-	1.13	0.90
Heavy equipment	0.14	0.16	-	-	0.14	0.16
Equipment	0.16	0.13	3.13	3.00	3.29	3.13
Office equipment	0.01	0.01	-	-	0.01	0.01
Infrastructure	26.24	27.34	4.98	5.12	31.22	32.46
Total	\$ 51.08	\$ 47.06	\$ 70.85	\$ 68.97	\$ 121.93	\$ 116.03

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, 2023, the City had total debt outstanding of \$37,445,231. Of this, \$35,715,144 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's long-term debt can be found in notes 6 and 7 of the basic financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Economic Conditions Affecting the City

There are many economic factors that were considered when the City established its budget for fiscal year ended October 31, 2023. 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. City officials are in continuous communication with Fort Stewart officials. The City works hard to be prepared to take necessary steps to minimize any negative economic impact.

The City has continued to see growth in our sales tax revenue which is our second largest source of revenue. We recognize that this can change with turns in the economy and continue to be diligent in monitoring both our revenues and expenditures into fiscal year 2024.

Contacting the City's Financial Management

This financial report is designed to provide a general overview of the City'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:

Chief Financial Officer
City of Hinesville
115 East M.L. King, Jr. Drive
Hinesville, GA 31313
or (912) 876-3564

BASIC FINANCIAL STATEMENTS

CITY OF HINESVILLE, GEORGIA

**STATEMENT OF NET POSITION
OCTOBER 31, 2023**

	Governmental Activities	Business-type Activities	Total	Downtown Development Authority	Hinesville Development Authority
ASSETS					
Cash and cash equivalents	\$ 10,470,859	\$ 4,824,325	\$ 15,295,184	\$ 604,742	\$ 1,564,832
Receivables, net	1,538,303	3,414,487	4,952,790	-	-
Notes receivable, net	342,888	-	342,888	-	-
Internal balances	8,095,068	(8,095,068)	-	-	-
Due from component units	2,713,869	-	2,713,869	-	-
Due from other governments	1,538,596	758,291	2,296,887	-	-
Due from primary government	-	-	-	-	476,300
Prepaid items	226,550	72,009	298,559	-	-
Restricted assets:					
Cash and cash equivalents	18,699,820	13,105,530	31,805,350	110,000	-
Assets held for resale	-	-	-	855,829	-
Capital assets:					
Non-depreciable	12,877,260	5,276,502	18,153,762	10,000	2,406,515
Depreciable, net of accumulated depreciation	38,209,342	65,581,771	103,791,113	19,153	-
Total assets	<u>94,712,555</u>	<u>84,937,847</u>	<u>179,650,402</u>	<u>1,599,724</u>	<u>4,447,647</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension	3,525,243	109,028	3,634,271	-	-
Total deferred outflows of resources	<u>3,525,243</u>	<u>109,028</u>	<u>3,634,271</u>	<u>-</u>	<u>-</u>
LIABILITIES					
Accounts payable	729,982	617,694	1,347,676	6,002	1,018
Retainage payable	258,125	331,700	589,825	-	89,507
Accrued payroll	619,980	13,563	633,543	-	-
Accrued interest	-	5,895	5,895	-	11,959
Due to primary government	-	-	-	136,840	2,577,029
Unearned revenue	1,460,255	57,383	1,517,638	-	-
Payable from restricted assets:					
Customer deposits	-	1,259,361	1,259,361	-	-
Accrued interest	66,437	33,161	99,598	-	-
Other liabilities	138,298	-	138,298	-	-
Non-current liabilities:					
Due within one year:					
Bonds, notes, and loans payable	579,206	2,305,021	2,884,227	-	-
Financed purchases	-	293,409	293,409	-	-
Compensated absences	122,205	2,952	125,157	-	-
Due in more than one year:					
Bonds, notes, and loans payable	4,833,242	28,961,498	33,794,740	-	805,327
Financed purchases	-	472,855	472,855	-	-
Compensated absences	692,498	16,730	709,228	-	-
Net pension liability	5,651,077	174,776	5,825,853	-	-
Total liabilities	<u>15,151,305</u>	<u>34,545,998</u>	<u>49,697,303</u>	<u>142,842</u>	<u>3,484,840</u>
DEFERRED INFLOWS OF RESOURCES					
Pension	236,696	7,320	244,016	-	-
Total deferred inflows of resources	<u>236,696</u>	<u>7,320</u>	<u>244,016</u>	<u>-</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	47,412,558	38,302,347	85,714,905	29,153	1,511,681
Restricted for:					
Debt service	428,990	37,853	466,843	-	-
Capital projects	15,976,868	-	15,976,868	-	-
Public safety	159,409	-	159,409	-	-
Unrestricted	18,871,972	12,153,357	31,025,329	1,427,729	(548,874)
Total net position	<u>\$ 82,849,797</u>	<u>\$ 50,493,557</u>	<u>\$ 133,343,354</u>	<u>\$ 1,456,882</u>	<u>\$ 962,807</u>

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

CITY OF HINESVILLE, GEORGIA

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2023**

<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>
Governmental activities:				
General government	\$ 4,329,611	\$ 1,473,728	\$ 3,729,000	\$ -
Judicial	341,594	69,250	-	-
Public safety	13,648,779	1,436,735	81,000	865,555
Public works	4,168,207	23,279	44,843	7,330,168
Housing and development	1,704,549	591,010	29,488	-
Health and welfare	826,217	-	244,614	-
Culture and recreation	1,093,749	-	-	-
Interest and fiscal charges	184,000	-	-	-
Total governmental activities	<u>26,296,706</u>	<u>3,594,002</u>	<u>4,128,945</u>	<u>8,195,723</u>
Business-type activities:				
Water and sewer	12,482,387	13,076,191	-	-
Sanitation	3,973,475	3,716,303	-	-
Stormwater utility	1,645,631	1,691,328	-	-
Fort Stewart IGSA's	3,239,513	3,428,529	-	-
Transit	1,166,348	17,524	953,476	-
Total business-type activities	<u>22,507,354</u>	<u>21,929,875</u>	<u>953,476</u>	<u>-</u>
Total primary government	<u>\$ 48,804,060</u>	<u>\$ 25,523,877</u>	<u>\$ 5,082,421</u>	<u>\$ 8,195,723</u>
Component units:				
Downtown Development Authority	\$ 329,083	\$ 40,750	\$ 413,514	\$ -
Hinesville Development Authority	34,052	-	-	-
Total component units	<u>\$ 363,135</u>	<u>\$ 40,750</u>	<u>\$ 413,514</u>	<u>\$ -</u>
		General revenues:		
		Property taxes		
		Sales taxes		
		Franchise taxes		
		Insurance premium taxes		
		Alcoholic beverage taxes		
		Hotel/Motel taxes		
		Occupational taxes		
		Other revenues		
		Investment earnings		
		Transfers		
		Total general revenues and transfers		
		Change in net position		
		Net position, beginning of year		
		Net position, end of year		

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

**Net (Expenses) Revenues and
Changes in Net Position**

Governmental Activities	Business-type Activities	Total	Component Units	
			Downtown Development Authority	Hinesville Development Authority
\$ 873,117	\$ -	\$ 873,117	\$ -	\$ -
(272,344)	-	(272,344)	-	-
(11,265,489)	-	(11,265,489)	-	-
3,230,083	-	3,230,083	-	-
(1,084,051)	-	(1,084,051)	-	-
(581,603)	-	(581,603)	-	-
(1,093,749)	-	(1,093,749)	-	-
(184,000)	-	(184,000)	-	-
<u>(10,378,036)</u>	<u>-</u>	<u>(10,378,036)</u>	<u>-</u>	<u>-</u>
-	593,804	593,804	-	-
-	(257,172)	(257,172)	-	-
-	45,697	45,697	-	-
-	189,016	189,016	-	-
-	(195,348)	(195,348)	-	-
-	375,997	375,997	-	-
<u>(10,378,036)</u>	<u>375,997</u>	<u>(10,002,039)</u>	<u>-</u>	<u>-</u>
-	-	-	125,181	-
-	-	-	-	(34,052)
-	-	-	125,181	(34,052)
9,526,606	-	9,526,606	-	-
6,253,077	-	6,253,077	-	-
1,758,271	-	1,758,271	-	-
3,094,726	-	3,094,726	-	-
436,287	-	436,287	-	-
255,438	-	255,438	-	-
40,731	-	40,731	-	-
126,392	92,184	218,576	4,926	838,675
237,953	333,458	571,411	3,284	5,732
(342,590)	342,590	-	-	-
<u>21,386,891</u>	<u>768,232</u>	<u>22,155,123</u>	<u>8,210</u>	<u>844,407</u>
11,008,855	1,144,229	12,153,084	133,391	810,355
71,840,942	49,349,328	121,190,270	1,323,491	152,452
<u>\$ 82,849,797</u>	<u>\$ 50,493,557</u>	<u>\$ 133,343,354</u>	<u>\$ 1,456,882</u>	<u>\$ 962,807</u>

CITY OF HINESVILLE, GEORGIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
OCTOBER 31, 2023**

	General Fund	ARPA Fund	SPLOST Fund	TSPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 9,961,198	\$ -	\$ -	\$ -	\$ 509,661	\$ 10,470,859
Receivables, net	1,489,331	-	-	-	48,972	1,538,303
Notes receivable, net	-	-	-	-	342,888	342,888
Due from other governments	257,118	-	626,525	616,884	38,069	1,538,596
Due from other funds	10,298,871	1,534,915	-	-	644,958	12,478,744
Due from component unit	2,713,869	-	-	-	-	2,713,869
Prepaid items	226,550	-	-	-	-	226,550
Restricted cash and cash equivalents	3,372,037	-	5,842,362	9,485,421	-	18,699,820
Total assets	<u>\$ 28,318,974</u>	<u>\$ 1,534,915</u>	<u>\$ 6,468,887</u>	<u>\$ 10,102,305</u>	<u>\$ 1,584,548</u>	<u>\$ 48,009,629</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 513,717	\$ 74,660	\$ 17,427	\$ 33,302	\$ 90,876	\$ 729,982
Accrued payroll and payroll taxes	619,980	-	-	-	-	619,980
Due to other funds	2,179,873	-	1,591,790	336,710	275,303	4,383,676
Other liabilities	138,298	-	-	-	-	138,298
Unearned revenue	24,883	1,460,255	-	-	-	1,485,138
Total liabilities	<u>3,476,751</u>	<u>1,534,915</u>	<u>1,609,217</u>	<u>370,012</u>	<u>366,179</u>	<u>7,357,074</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	125,220	-	-	-	-	125,220
Unavailable revenue - franchise taxes	1,299,736	-	-	-	-	1,299,736
Total deferred inflows of resources	<u>1,424,956</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,424,956</u>
FUND BALANCES						
Non-spendable:						
Prepaid items	226,550	-	-	-	-	226,550
Restricted for:						
Capital outlay	2,961,858	-	4,859,670	9,732,293	584,905	18,138,726
Public safety	159,409	-	-	-	-	159,409
Debt service	250,770	-	-	-	-	250,770
Assigned for:						
Debt service	757,426	-	-	-	-	757,426
Community development	-	-	-	-	633,464	633,464
Unassigned	19,061,254	-	-	-	-	19,061,254
Total fund balances	<u>23,417,267</u>	<u>-</u>	<u>4,859,670</u>	<u>9,732,293</u>	<u>1,218,369</u>	<u>39,227,599</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 28,318,974</u>	<u>\$ 1,534,915</u>	<u>\$ 6,468,887</u>	<u>\$ 10,102,305</u>	<u>\$ 1,584,548</u>	<u>\$ 48,009,629</u>

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

CITY OF HINESVILLE, GEORGIA

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
OCTOBER 31, 2023**

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

Fund balances - total governmental funds	\$	39,227,599
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Cost of assets	\$ 93,430,017	
Accumulated depreciation	<u>(42,343,415)</u>	
		51,086,602

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.

Unavailable revenue - property taxes	\$ 125,220	
Unavailable revenue - franchise taxes	1,299,736	
Business license fees	<u>24,883</u>	
		1,449,839

The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds. Deferred outflows and inflows of resources are not due and payable or not available in the current period and, therefore, are not reported in the funds. These items consist of the following:

Net pension liability	\$ (5,651,077)	
Deferred outflows of resources related to pension	3,525,243	
Deferred inflows of resources related to pension	<u>(236,696)</u>	
		(2,362,530)

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.

Compensated absences payable	\$ (814,703)	
Bonds payable	(5,412,448)	
Accrued interest	(66,437)	
Retainage payable	<u>(258,125)</u>	
		<u>(6,551,713)</u>

Net position of governmental activities	\$	<u><u>82,849,797</u></u>
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The accompanying notes are an integral part of these financial statements.

CITY OF HINESVILLE, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2023**

	General Fund	ARPA Fund	SPLOST Fund	TSPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 9,518,488	\$ -	\$ -	\$ -	\$ -	\$ 9,518,488
Sales taxes	6,253,077	-	-	-	-	6,253,077
Franchise taxes	1,787,707	-	-	-	-	1,787,707
Insurance premium taxes	3,094,726	-	-	-	-	3,094,726
Other taxes	477,018	-	-	-	255,438	732,456
Licenses and permits	888,227	-	-	-	-	888,227
Charges for services	1,416,322	-	-	-	-	1,416,322
Intergovernmental	919,093	3,729,000	2,972,055	3,765,814	697,809	12,083,771
Fines, forfeitures, and fees	1,207,406	-	-	-	-	1,207,406
Interest revenue	218,589	-	89,807	150,590	19,364	478,350
Other revenue	216,036	-	-	-	-	216,036
Total revenues	<u>25,996,689</u>	<u>3,729,000</u>	<u>3,061,862</u>	<u>3,916,404</u>	<u>972,611</u>	<u>37,676,566</u>
Expenditures						
Current:						
General government	4,091,065	5,491	-	-	-	4,096,556
Judicial	333,845	-	-	-	-	333,845
Public safety	13,384,637	3,594,528	159,005	-	-	17,138,170
Public works	2,214,543	-	-	-	41,068	2,255,611
Housing and development	1,318,494	-	-	-	17,134	1,335,628
Health and welfare	588,627	35,000	-	-	193,133	816,760
Culture and recreation	615,016	-	-	-	10,100	625,116
Capital outlay	-	93,981	854,377	1,208,328	441,706	2,598,392
Debt service:						
Principal	-	-	372,223	-	-	372,223
Interest and fiscal charges	-	-	153,473	-	-	153,473
Intergovernmental	702,394	-	-	-	102,175	804,569
Total expenditures	<u>23,248,621</u>	<u>3,729,000</u>	<u>1,539,078</u>	<u>1,208,328</u>	<u>805,316</u>	<u>30,530,343</u>
Excess of revenues over expenditures	<u>2,748,068</u>	<u>-</u>	<u>1,522,784</u>	<u>2,708,076</u>	<u>167,295</u>	<u>7,146,223</u>
Other financing sources (uses)						
Transfers in	208,502	-	-	-	119,062	327,564
Transfers out	<u>(461,652)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(208,502)</u>	<u>(670,154)</u>
Total other financing uses, net	<u>(253,150)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(89,440)</u>	<u>(342,590)</u>
Net change in fund balances	2,494,918	-	1,522,784	2,708,076	77,855	6,803,633
Fund balances, beginning of year	<u>20,922,349</u>	<u>-</u>	<u>3,336,886</u>	<u>7,024,217</u>	<u>1,140,514</u>	<u>32,423,966</u>
Fund balances, end of year	<u>\$ 23,417,267</u>	<u>\$ -</u>	<u>\$ 4,859,670</u>	<u>\$ 9,732,293</u>	<u>\$ 1,218,369</u>	<u>\$ 39,227,599</u>

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

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, 2023**

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

Net change in fund balances - total governmental funds		\$ 6,803,633
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.

Capital outlay	\$ 5,865,357	
Depreciation expense	<u>(1,840,638)</u>	
		4,024,719

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned.

Unearned revenue		(28,415)
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The issuance of long-term debt (e.g., bonds, leases) 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.

Change in accrued interest payable	\$ (30,527)	
Principal retirement on long-term debt	<u>372,223</u>	
		341,696

financial resources and, therefore, are not reported as expenditures in the governmental funds.

Change in retainage payable	\$ 181,468	
Change in compensated absences	(64,133)	
Change in net pension liability and related deferred inflows and outflows of resources	<u>(250,113)</u>	
		<u>(132,778)</u>

Change in net position of governmental activities		<u>\$ 11,008,855</u>
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The accompanying notes are an integral part of these financial statements.

CITY OF HINESVILLE, GEORGIA

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 8,842,989	\$ 8,968,599	\$ 9,518,488	\$ 549,889
Sales taxes	5,809,729	5,809,729	6,253,077	443,348
Franchise fees	1,746,770	1,746,770	1,787,707	40,937
Insurance premium taxes	2,987,064	2,987,064	3,094,726	107,662
Other taxes	491,395	491,395	477,018	(14,377)
Licenses and permits	721,430	721,430	888,227	166,797
Charges for services	1,673,221	1,673,221	1,416,322	(256,899)
Intergovernmental	141,475	167,147	919,093	751,946
Fines, forfeitures, and fees	1,122,650	1,122,650	1,207,406	84,756
Interest revenue	34,796	34,796	218,589	183,793
Other revenue	150,047	150,047	216,036	65,989
Total revenues	23,721,566	23,872,848	25,996,689	2,123,841
Expenditures				
Current				
General government:				
Administration	3,709,882	3,768,878	4,091,065	(322,187)
Total general government	3,709,882	3,768,878	4,091,065	(322,187)
Judicial				
Municipal court	367,410	367,410	333,845	33,565
Total judicial	367,410	367,410	333,845	33,565
Public safety:				
Police	8,528,747	8,534,099	8,327,357	206,742
Fire	4,780,508	4,780,508	5,057,280	(276,772)
Total public safety	13,309,255	13,314,607	13,384,637	(70,030)
Public works:				
Public works administration	233,171	233,171	236,717	(3,546)
Highways and streets	1,345,396	1,520,421	1,502,174	18,247
Vehicle maintenance	459,509	478,359	475,652	2,707
Total public works	2,038,076	2,231,951	2,214,543	17,408
Health and welfare:				
Community development	785,970	770,329	588,627	181,702
Total health and welfare	785,970	770,329	588,627	181,702
Culture and recreation:				
Team Hinesville	56,600	56,600	55,380	1,220
Parks and grounds	615,767	624,467	559,636	64,831
Total culture and recreation	672,367	681,067	615,016	66,051
Housing and development:				
Inspections	1,010,271	1,010,271	904,418	105,853
Downtown Development Authority	434,432	434,432	360,395	74,037
Economic development	70,905	70,905	53,681	17,224
Total housing and development	1,515,608	1,515,608	1,318,494	197,114
Intergovernmental				
Live Oak Public Libraries	466,739	466,739	466,739	-
Liberty Consolidated Planning Commission	328,693	328,693	235,655	93,038
Total intergovernmental	795,432	795,432	702,394	93,038

CITY OF HINESVILLE, GEORGIA

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Expenditures (Continued)				
Current (Continued)				
Debt service:				
Principal	38,008	38,008	-	38,008
Interest and fiscal charges	5,415	5,415	-	5,415
Total debt service	<u>43,423</u>	<u>43,423</u>	<u>-</u>	<u>43,423</u>
Total expenditures	<u>23,237,423</u>	<u>23,488,705</u>	<u>23,248,621</u>	<u>240,084</u>
Excess of revenues over expenditures	<u>484,143</u>	<u>384,143</u>	<u>2,748,068</u>	<u>2,363,925</u>
Other financing sources (uses)				
Transfers in	196,247	196,247	208,502	12,255
Transfers out	(680,390)	(580,390)	(461,652)	118,738
Total other financing uses, net	<u>(484,143)</u>	<u>(384,143)</u>	<u>(253,150)</u>	<u>130,993</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>2,494,918</u>	<u>2,494,918</u>
Fund balances, beginning of year	<u>20,922,349</u>	<u>20,922,349</u>	<u>20,922,349</u>	<u>-</u>
Fund balances, end of year	<u>\$ 20,922,349</u>	<u>\$ 20,922,349</u>	<u>\$ 23,417,267</u>	<u>\$ 2,494,918</u>

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

CITY OF HINESVILLE, GEORGIA

**ARPA FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 35,000	\$ 35,000	\$ 3,729,000	\$ 3,694,000
Total revenues	<u>35,000</u>	<u>35,000</u>	<u>3,729,000</u>	<u>3,694,000</u>
Expenditures				
Current				
General government:				
Administration	20,000	20,000	5,491	14,509
Total general government	<u>20,000</u>	<u>20,000</u>	<u>5,491</u>	<u>14,509</u>
Public safety:				
Police	102,837	94,455	94,455	-
Fire	3,500,000	3,500,073	3,500,073	-
Total public safety	<u>3,602,837</u>	<u>3,594,528</u>	<u>3,594,528</u>	<u>-</u>
Health and welfare:				
Community development	35,000	35,000	35,000	-
Total health and welfare	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>-</u>
Capital outlay	1,340,000	1,340,000	93,981	1,246,019
Total capital outlay	<u>1,340,000</u>	<u>1,340,000</u>	<u>93,981</u>	<u>1,246,019</u>
Total expenditures	<u>4,997,837</u>	<u>4,989,528</u>	<u>3,729,000</u>	<u>1,260,528</u>
Net change in fund balances	(4,962,837)	(4,954,528)	-	4,954,528
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ (4,962,837)</u>	<u>\$ (4,954,528)</u>	<u>\$ -</u>	<u>\$ 4,954,528</u>

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

CITY OF HINESVILLE, GEORGIA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
OCTOBER 31, 2023**

ASSETS	Water and Sewer Fund	Sanitation Fund	Stormwater Utility Fund
CURRENT ASSETS			
Cash and cash equivalents	\$ 4,749,089	\$ -	\$ -
Receivable, net	2,861,585	-	-
Due from other governments	-	-	-
Due from other funds	-	109,541	-
Prepaid items	72,009	-	-
Restricted cash and cash equivalents	12,519,252	-	586,278
Total current assets	20,201,935	109,541	586,278
NON-CURRENT ASSETS			
Capital assets:			
Nondepreciable	5,264,765	-	11,737
Depreciable, net of accumulated depreciation	58,078,662	723,930	4,498,854
Total non-current assets	63,343,427	723,930	4,510,591
Total assets	83,545,362	833,471	5,096,869
DEFERRED OUTFLOWS OF RESOURCES			
Pension	109,028	-	-
Total deferred outflows of resources	109,028	-	-
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	508,071	70,185	8,387
Retainage payable	331,700	-	-
Accrued liabilities	13,563	-	-
Accrued interest	-	-	4,123
Due to other funds	4,989,327	-	2,008,248
Payable from restricted assets:			
Customer deposits	1,259,361	-	-
Accrued interest	33,161	-	-
Current portion - notes payable	1,541,158	-	126,187
Current portion - bonds payable	637,676	-	-
Current portion - financed purchases	-	-	57,271
Current portion - compensated absences	2,952	-	-
Unearned revenue	-	-	-
Total current liabilities	9,316,969	70,185	2,204,216
NON-CURRENT LIABILITIES			
Notes payable, long-term portion	26,503,818	-	1,365,269
Bonds payable, long-term portion	1,092,411	-	-
Financed purchases, long-term portion	-	-	-
Compensated absences, long-term portion	16,730	-	-
Net pension liability	174,776	-	-
Total non-current liabilities	27,787,735	-	1,365,269
Total liabilities	37,104,704	70,185	3,569,485
DEFERRED INFLOWS OF RESOURCES			
Pension	7,320	-	-
Total deferred inflows of resources	7,320	-	-
NET POSITION			
Net investment in capital assets	33,045,221	723,930	2,961,864
Restricted for:			
Revenue bond retirement	37,853	-	-
Unrestricted	13,459,292	39,356	(1,434,480)
Total net position	\$ 46,542,366	\$ 763,286	\$ 1,527,384

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

Fort Stewart IGSAs Fund	Nonmajor Transit Fund	Total
\$ 66,964	\$ 8,272	\$ 4,824,325
552,902	-	3,414,487
-	758,291	758,291
9,693	-	119,234
-	-	72,009
-	-	13,105,530
<u>629,559</u>	<u>766,563</u>	<u>22,293,876</u>
-	-	5,276,502
<u>751,440</u>	<u>1,528,885</u>	<u>65,581,771</u>
<u>751,440</u>	<u>1,528,885</u>	<u>70,858,273</u>
<u>1,380,999</u>	<u>2,295,448</u>	<u>93,152,149</u>
-	-	109,028
-	-	<u>109,028</u>
29,395	1,656	617,694
-	-	331,700
-	-	13,563
1,772	-	5,895
524,014	692,713	8,214,302
-	-	1,259,361
-	-	33,161
-	-	1,667,345
-	-	637,676
236,138	-	293,409
-	-	2,952
-	57,383	57,383
<u>791,319</u>	<u>751,752</u>	<u>13,134,441</u>
-	-	27,869,087
-	-	1,092,411
472,855	-	472,855
-	-	16,730
-	-	174,776
<u>472,855</u>	<u>-</u>	<u>29,625,859</u>
<u>1,264,174</u>	<u>751,752</u>	<u>42,760,300</u>
-	-	7,320
-	-	<u>7,320</u>
42,447	1,528,885	38,302,347
-	-	37,853
74,378	14,811	12,153,357
<u>\$ 116,825</u>	<u>\$ 1,543,696</u>	<u>\$ 50,493,557</u>

CITY OF HINESVILLE, GEORGIA

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2023**

	<u>Water and Sewer Fund</u>	<u>Sanitation Fund</u>	<u>Stormwater Utility Fund</u>
OPERATING REVENUE			
Water fees	\$ 4,471,685	\$ -	\$ -
Sewer fees	4,267,693	-	-
Fort Stewart sewer fees	1,922,844	-	-
Water and sewer impact fees	1,610,244	-	-
Sanitation fees	-	3,716,303	-
Stormwater utility fees	-	-	1,691,328
Transit fees	-	-	-
Grounds maintenance fees	-	-	-
Water tank maintenance fees	-	-	-
Intergovernmental	-	-	-
Other revenues	895,909	-	-
	<hr/>	<hr/>	<hr/>
Total operating revenues	13,168,375	3,716,303	1,691,328
OPERATING EXPENSES			
Salaries	362,461	-	-
Employee benefits	101,246	-	-
Vehicle operating expenses	136,436	402,077	231,508
Office supplies and postage	102,910	1,065	985
General insurance	135,506	31,055	29,114
Professional fees	134,788	-	39,726
Computer services	79,703	-	-
Equipment rental and repairs	9,650	522	544
Schools and training	2,943	-	-
Operating supplies	761,731	79,717	2,090
Utilities	1,601,692	17,080	16,593
Operations contracted services	3,397,119	2,168,275	854,365
Repairs and materials	2,051,760	4,849	6,238
Depreciation	2,555,767	175,544	296,272
Administrative fees	585,801	260,141	118,885
Drinking water program	13,420	-	-
Miscellaneous	25,045	-	-
Disposal	-	748,150	-
Grinding services	-	85,000	-
Marketing	-	-	-
	<hr/>	<hr/>	<hr/>
Total operating expenses	12,057,978	3,973,475	1,596,320
	<hr/>	<hr/>	<hr/>
Operating income (loss)	1,110,397	(257,172)	95,008
NON-OPERATING REVENUES (EXPENSES)			
Interest income	324,890	-	7,032
Interest expense	(424,409)	-	(49,311)
	<hr/>	<hr/>	<hr/>
Total non-operating revenues (expenses)	(99,519)	-	(42,279)
	<hr/>	<hr/>	<hr/>
Income before transfers	1,010,878	(257,172)	52,729
TRANSFERS			
Transfers in	-	-	-
Total transfers	-	-	-
	<hr/>	<hr/>	<hr/>
Net change in fund balances	1,010,878	(257,172)	52,729
Net position (deficit), beginning of year	<hr/>	<hr/>	<hr/>
	45,531,488	1,020,458	1,474,655
Net position, end of year	<hr/>	<hr/>	<hr/>
	\$ 46,542,366	\$ 763,286	\$ 1,527,384

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

Fort Stewart IGSAs Fund	Nonmajor Transit Fund	Total
\$ -	\$ -	\$ 4,471,685
-	-	4,267,693
-	-	1,922,844
-	-	1,610,244
-	-	3,716,303
-	-	1,691,328
-	17,524	17,524
3,001,137	-	3,001,137
427,392	-	427,392
-	953,476	953,476
-	-	895,909
3,428,529	971,000	22,975,535
-	54,992	417,453
-	-	101,246
476,526	61,262	1,307,809
-	-	104,960
-	6,480	202,155
-	109,368	283,882
-	1,656	81,359
24,600	4,284	39,600
-	61	3,004
26,974	1,062	871,574
3,549	-	1,638,914
2,455,892	800,819	9,676,470
-	-	2,062,847
192,662	124,384	3,344,629
34,875	-	999,702
-	-	13,420
-	-	25,045
-	-	748,150
-	-	85,000
-	1,980	1,980
3,215,078	1,166,348	22,009,199
213,451	(195,348)	966,336
1,132	404	333,458
(24,435)	-	(498,155)
(23,303)	404	(164,697)
190,148	(194,944)	801,639
-	342,590	342,590
-	342,590	342,590
190,148	147,646	1,144,229
(73,323)	1,396,050	49,349,328
\$ 116,825	\$ 1,543,696	\$ 50,493,557

CITY OF HINESVILLE, GEORGIA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2023**

	<u>Water and Sewer Fund</u>	<u>Sanitation Fund</u>	<u>Stormwater Utility Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 16,706,046	\$ 4,111,913	\$ 1,813,075
Cash paid to suppliers for goods and services	(9,458,715)	(3,833,745)	(1,345,885)
Cash paid to employees for services	(461,553)	-	-
Net cash provided by (used in) operating activities	<u>6,785,778</u>	<u>278,168</u>	<u>467,190</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers in	-	-	-
Net cash provided by non-capital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal paid on long-term debt	(2,251,460)	-	(196,686)
Interest paid on long-term debt	(431,068)	-	(50,128)
Acquisition and construction of capital assets	(4,167,004)	(278,168)	(220,376)
Net cash used in capital and related financing activities	<u>(6,849,532)</u>	<u>(278,168)</u>	<u>(467,190)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	324,890	-	7,032
Net cash provided by investing activities	<u>324,890</u>	<u>-</u>	<u>7,032</u>
Change in cash and cash equivalents	261,136	-	7,032
Cash and cash equivalents:			
Beginning of year	17,007,205	-	579,246
End of year	<u>\$ 17,268,341</u>	<u>\$ -</u>	<u>\$ 586,278</u>
Classified as:			
Cash and cash equivalents	\$ 4,749,089	\$ -	\$ -
Restricted assets, cash	12,519,252	-	586,278
	<u>\$ 17,268,341</u>	<u>\$ -</u>	<u>\$ 586,278</u>

Fort Stewart IGSAs Fund	Nonmajor Transit Fund	Total
\$ 3,495,890	\$ 685,826	\$ 26,812,750
(3,230,890)	(766,639)	(18,635,874)
-	(54,992)	(516,545)
265,000	(135,805)	7,660,331
-	342,590	342,590
-	342,590	342,590
(229,171)	-	(2,677,317)
(25,008)	-	(506,204)
-	(267,260)	(4,932,808)
(254,179)	(267,260)	(8,116,329)
1,132	404	333,458
1,132	404	333,458
11,953	(60,071)	220,050
55,011	68,343	17,709,805
\$ 66,964	\$ 8,272	\$ 17,929,855
\$ 66,964	\$ 8,272	\$ 4,824,325
-	-	13,105,530
\$ 66,964	\$ 8,272	\$ 17,929,855

CITY OF HINESVILLE, GEORGIA

**STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED OCTOBER 31, 2023**

	<u>Water and Sewer Fund</u>	<u>Sanitation Fund</u>	<u>Stormwater Utility Fund</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 1,110,397	\$ (257,172)	\$ 95,008
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	2,555,767	175,544	296,272
(Increase) decrease in:			
Accounts receivable	(233,943)	-	-
Due from other funds	-	395,610	-
Due from other governments	-	-	-
Prepaid items	(7,886)	-	-
Deferred outflows of resources	(23,036)	-	-
Increase (decrease) in:			
Accounts payable	(501,346)	(35,814)	(45,837)
Accrued liabilities	(2,063)	-	-
Due to other funds	3,771,614	-	121,747
Customer deposits	89,021	-	-
Unearned revenue	-	-	-
Compensated absences	(3,516)	-	-
Net pension liability	105,978	-	-
Deferred inflows of resources	(75,209)	-	-
Net cash provided by (used in) operating activities	<u>\$ 6,785,778</u>	<u>\$ 278,168</u>	<u>\$ 467,190</u>

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

Fort Stewart IGSAs Fund	Nonmajor Transit Fund	Total
\$ 213,451	\$ (195,348)	\$ 966,336
192,662	124,384	3,344,629
132,629	-	(101,314)
(9,693)	-	385,917
-	(342,557)	(342,557)
-	-	(7,886)
-	-	(23,036)
(198,781)	(76,965)	(858,743)
-	-	(2,063)
(65,268)	297,298	4,125,391
-	-	89,021
-	57,383	57,383
-	-	(3,516)
-	-	105,978
-	-	(75,209)
<u>\$ 265,000</u>	<u>\$ (135,805)</u>	<u>\$ 7,660,331</u>

NOTES TO FINANCIAL STATEMENTS

CITY OF HINESVILLE, GEORGIA

NOTES TO FINANCIAL STATEMENTS OCTOBER 31, 2023

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. The Financial 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. 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

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.

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 stormwater 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 and 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting and Measurement Focus

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

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

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

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 financed purchases 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting and Measurement Focus (Continued)

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.

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 Federal Deposit Insurance Corporation ("FDIC") or Federal Savings and Loan Insurance Corporation ("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, bankers' 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 \$298,559 as of October 31, 2023.

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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets (Continued)

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

<u>Asset Class</u>	<u>Years</u>
Infrastructure	20 – 50
Buildings	20 – 50
Improvements	20 – 50
Equipment and vehicles	13 – 15
Utility plant in service	5 – 50
Other equipment	3 – 10

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 24-hour shift 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 24-hour shift 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has four 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 assets 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 two 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 item the City has that qualifies for reporting in this category is related to the City's pension plan. See Note 9 for further details.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Balance and Flow Assumption

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

- **Non-spendable** – amounts that cannot be spent because they are either: a) not in spendable form (i.e., items that are not expected to be converted to cash), or b) legally or contractually required to be maintained intact.
- **Restricted** – 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.

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

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

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.

NOTES TO FINANCIAL STATEMENTS

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. 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 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.

NOTES TO FINANCIAL STATEMENTS

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, 2023.

General Fund:

Current:

Administration	\$	322,187
Fire		276,772
Public works administration		3,546

Multiple Grant Fund:

Current:

Highways and streets	41,068
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Hotel/Motel Tax Fund:

Current:

Intergovernmental	23,992
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The over expenditures in the General Fund were funded by greater than anticipated tax revenue and savings from other departments. The over expenditures in the Multiple Grant Fund were funded by savings from other departments. The over expenditures in the Hotel/Motel Tax Fund were funded by greater than anticipated tax revenue.

NOTE 3. DEPOSITS AND INVESTMENTS

Total deposits and investments as of October 31, 2023 are summarized as follows:

As reported in the Statement of Net Position:

Primary government:

Cash and cash equivalents	\$	15,295,184
Restricted assets - cash and cash equivalents		31,805,350

Cash deposited with financial institutions	\$	47,100,534
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Component units:

Cash and cash equivalents	\$	2,169,574
Restricted assets - cash and cash equivalents		110,000

Cash deposited with financial institutions	\$	2,279,574
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NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Credit risk. State statutes authorize the City to invest in obligations of the U.S. Government and agencies of corporations of the U.S. Government; obligations of any state; obligations of any political subdivision of any state; certificates of deposit or time deposits of any national state bank or savings and loan which have deposits insured by the FDIC or FSLIC; prime bankers' acceptances; repurchase agreements; and the Local Government Investment Pool of the State of Georgia ("Georgia Fund 1"). The City has no investment policy that would further limit its investment choices. As of October 31, 2023, the U.S. Government Securities were rated AAA by Moody's and the City's investment in Georgia Fund 1 was rated AA+ by Standard and Poor's.

At October 31, 2023, 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, 2023, the City did not have any deposits which were uninsured and under collateralized as defined by GASB pronouncements.

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 ended October 31, 2023 are recorded as receivables, net of estimated uncollectible.

Real and personal property taxes were levied in November 2022. The taxes are based on the January 1, 2022 assessed values and are due on February 10, 2023, after which date liens can be attached. The net receivables collected during the year ended October 31, 2023 and expected to be collected by December 31, 2023, are recognized as revenues in the year ended October 31, 2023. Net receivables estimated to be collectible subsequent to December 31, 2023 are recorded as revenue when received. Prior year levies were recorded using substantially the same principles, and remaining receivables are reevaluated annually.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES – ALLOWANCE FOR DOUBTFUL ACCOUNTS (CONTINUED)

The amounts presented in the Statement of Net Position and the governmental funds balance sheet are net of the allowances for doubtful accounts:

	General Fund	SPLOST Fund	TSPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
Receivables:					
Taxes	\$ 1,631,087	\$ -	\$ -	\$ 48,972	\$ 1,680,059
Accounts	28,547	-	-	-	28,547
Intergovernmental	257,118	626,525	616,884	38,069	1,538,596
Gross receivables	<u>1,916,752</u>	<u>626,525</u>	<u>616,884</u>	<u>87,041</u>	<u>3,247,202</u>
Less: allowance for uncollectibles	(170,303)	-	-	-	(170,303)
Net total receivables	<u>\$ 1,746,449</u>	<u>\$ 626,525</u>	<u>\$ 616,884</u>	<u>\$ 87,041</u>	<u>\$ 3,076,899</u>

	Water and Sewer Fund	Fort Stewart IGSAs Fund	Nonmajor Transit Fund	Total Proprietary Funds
Receivables:				
Accounts	\$ 3,825,580	\$ 552,902	\$ -	\$ 4,378,482
Intergovernmental	-	-	758,291	758,291
Gross receivables	<u>3,825,580</u>	<u>552,902</u>	<u>758,291</u>	<u>5,136,773</u>
Less: allowance for uncollectibles	(963,995)	-	-	(963,995)
Net total receivables	<u>\$ 2,861,585</u>	<u>\$ 552,902</u>	<u>\$ 758,291</u>	<u>\$ 4,172,778</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, 2023, the outstanding balance of these notes receivable, net of an allowance of \$113,017, was \$342,888.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended October 31, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land and improvements	\$ 1,905,501	\$ -	\$ -	\$ -	\$ 1,905,501
Construction in progress	5,594,745	5,377,014	-	-	10,971,759
Total capital assets, not being depreciated	<u>7,500,246</u>	<u>5,377,014</u>	<u>-</u>	<u>-</u>	<u>12,877,260</u>
Capital assets, being depreciated:					
Buildings and improvements	15,675,766	-	-	-	15,675,766
Vehicles	5,772,379	414,937	(332,556)	-	5,854,760
Heavy equipment	863,229	-	-	-	863,229
Equipment	1,025,649	67,652	-	-	1,093,301
Office equipment	378,138	5,754	-	-	383,892
Infrastructure	56,681,809	-	-	-	56,681,809
Total capital assets, being depreciated	<u>80,396,970</u>	<u>488,343</u>	<u>(332,556)</u>	<u>-</u>	<u>80,552,757</u>
Less accumulated depreciation for:					
Buildings and improvements	(4,841,588)	(310,218)	-	-	(5,151,806)
Vehicles	(4,678,855)	(374,833)	332,556	-	(4,721,132)
Heavy equipment	(700,453)	(16,278)	-	-	(716,731)
Equipment	(894,174)	(40,744)	-	-	(934,918)
Office equipment	(376,775)	(1,553)	-	-	(378,328)
Infrastructure	(29,343,488)	(1,097,012)	-	-	(30,440,500)
Total accumulated depreciation	<u>(40,835,333)</u>	<u>(1,840,638)</u>	<u>332,556</u>	<u>-</u>	<u>(42,343,415)</u>
Total capital assets, being depreciated, net	<u>39,561,637</u>	<u>(1,352,295)</u>	<u>-</u>	<u>-</u>	<u>38,209,342</u>
Governmental activities capital assets, net	<u>\$ 47,061,883</u>	<u>\$ 4,024,719</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,086,602</u>
Business-type activities:					
Capital assets, not being depreciated:					
Land (Right of way)	\$ 23,910	\$ -	\$ -	\$ -	\$ 23,910
Construction in progress	929,700	4,322,892	-	-	5,252,592
Total capital assets, not being depreciated	<u>953,610</u>	<u>4,322,892</u>	<u>-</u>	<u>-</u>	<u>5,276,502</u>
Capital assets, being depreciated:					
Utility plant in service	115,485,870	-	-	-	115,485,870
Other equipment	11,378,487	905,342	(409,464)	-	11,874,365
Infrastructure	6,399,436	-	-	-	6,399,436
Total capital assets, being depreciated	<u>133,263,793</u>	<u>905,342</u>	<u>(409,464)</u>	<u>-</u>	<u>133,759,671</u>
Less accumulated depreciation for:					
Utility plant in service	(55,587,066)	(2,430,052)	-	-	(58,017,118)
Other equipment	(8,377,402)	(770,139)	409,464	-	(8,738,077)
Infrastructure	(1,278,267)	(144,438)	-	-	(1,422,705)
Total accumulated depreciation	<u>(65,242,735)</u>	<u>(3,344,629)</u>	<u>409,464</u>	<u>-</u>	<u>(68,177,900)</u>
Total capital assets, being depreciated, net	<u>68,021,058</u>	<u>(2,439,287)</u>	<u>-</u>	<u>-</u>	<u>65,581,771</u>
Business-type activities capital assets, net	<u>\$ 68,974,668</u>	<u>\$ 1,883,605</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,858,273</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

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

Governmental activities:	
General government	\$ 226,764
Public safety	462,291
Public works	1,117,621
Culture and recreation	30,915
Housing and development	3,047
Total depreciation expense - governmental activities	<u>\$ 1,840,638</u>
Business-type activities:	
Water and sewer	\$ 2,555,767
Sanitation	175,544
Stormwater utility	296,272
Transit	124,384
Fort Stewart Grounds Maintenance	192,662
Total depreciation expense - business-type activities	<u>\$ 3,344,629</u>

NOTE 6. CHANGES IN LONG-TERM LIABILITIES

The following schedule details the City's long-term liability activity for the year ended October 31, 2023:

	Beginning Balance	Increases	Decreases	Ending Balance	Due in One Year
Governmental activities:					
Refunding Revenue Bond Series 2015	\$ 3,284,671	\$ -	\$ (372,223)	\$ 2,912,448	\$ 382,550
Fire Station Bond, Series 2022B	2,500,000	-	-	2,500,000	196,656
Total revenue bonds	<u>5,784,671</u>	<u>-</u>	<u>(372,223)</u>	<u>5,412,448</u>	<u>579,206</u>
Other long-term liabilities:					
Net pension liability	2,224,476	4,638,685	(1,212,084)	5,651,077	-
Compensated absences	750,570	1,433,734	(1,369,601)	814,703	122,205
Total other long-term liabilities	<u>2,975,046</u>	<u>6,072,419</u>	<u>(2,581,685)</u>	<u>6,465,780</u>	<u>122,205</u>
Governmental activity long-term liabilities	<u>\$ 8,759,717</u>	<u>\$ 6,072,419</u>	<u>\$ (2,953,908)</u>	<u>\$ 11,878,228</u>	<u>\$ 701,411</u>
Business-type activities:					
Revenue bonds	\$ 2,455,000	\$ -	\$ (730,000)	\$ 1,725,000	\$ 635,000
Unamortized premium	8,915	-	(3,828)	5,087	2,676
GEFA loans payable	31,180,354	-	(1,643,922)	29,536,432	1,667,345
Financed purchases	1,069,659	-	(303,395)	766,264	293,409
Total bonds, loans, and notes payable	<u>34,713,928</u>	<u>-</u>	<u>(2,681,145)</u>	<u>32,032,783</u>	<u>2,598,430</u>
Other long-term liabilities:					
Net pension liability	68,798	143,464	(37,486)	174,776	-
Compensated absences	23,198	32,770	(36,286)	19,682	2,952
Total other long-term liabilities	<u>91,996</u>	<u>176,234</u>	<u>(73,772)</u>	<u>194,458</u>	<u>2,952</u>
Business-type activity long-term liabilities	<u>\$ 34,805,924</u>	<u>\$ 176,234</u>	<u>\$ (2,754,917)</u>	<u>\$ 32,227,241</u>	<u>\$ 2,601,382</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CHANGES IN LONG-TERM LIABILITIES (CONTINUED)

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.

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, \$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:

<u>Fiscal Year Payable</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 382,550	\$ 76,149	\$ 458,699
2025	393,179	65,520	458,699
2026	404,103	54,595	458,698
2027	415,331	43,367	458,698
2028	426,871	31,827	458,698
2029 and 2030	890,414	27,744	918,158
	<u>\$ 2,912,448</u>	<u>\$ 299,202</u>	<u>\$ 3,211,650</u>

City of Hinesville Project Revenue Bond, Series 2022B

In September 2022, the Liberty County Public Facilities Authority issued, on behalf of the City, \$2,500,000 Revenue Bonds (City of Hinesville Project), Series 2022B for the purpose of building a new fire station. The new bond is with Ameris Bank. The payments are due bi-annually on November 1 and May 1 each year with an annual interest rate of 4.25%.

Debt service requirements to maturity are as follows:

<u>Fiscal Year Payable</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 196,656	\$ 102,071	\$ 298,727
2025	214,691	93,330	308,021
2026	223,996	84,008	308,004
2027	233,703	74,282	307,985
2028	243,831	64,134	307,965
2029 – 2033	1,387,123	152,378	1,539,501
	<u>\$ 2,500,000</u>	<u>\$ 570,203</u>	<u>\$ 3,070,203</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

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, and the 2001 and 2006 GEFA loans.

Water and Sewer revenue bonds outstanding at October 31, 2023 are as follows:

<u>Purpose</u>	<u>Interest Rate %</u>	<u>Maturity Date</u>	<u>Original Amount</u>	<u>Amount</u>
Water and Sewer Fund Improvements	2.00% - 3.00%	2026	\$ 11,060,000	<u>\$ 1,725,000</u>
Total Revenue Bonds Payable				1,725,000
Less current portion				<u>(635,000)</u>
Long-term portion of revenue bonds				<u><u>\$ 1,090,000</u></u>

Debt service requirements to maturity are as follows:

<u>Fiscal Year Payable</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 635,000	\$ 37,853	\$ 672,853
2025	650,000	24,200	674,200
2026	440,000	9,900	449,900
	<u>\$ 1,725,000</u>	<u>\$ 71,953</u>	<u>\$ 1,796,953</u>

Georgia Environmental Finance 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 stormwater 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-19. For a period of six months (July 1, 2020 – December 31, 2020) no payments were due on this loan and no interest accrued. Accordingly, the loan has been extended to January 2034.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

Georgia Environmental Finance Authority Loans (Continued)

During the year ended October 31, 2013, the City's Water and 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 Fort 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 were due on this loan and no interest accrued. Accordingly, the loan has been extended to August 2035.

During the year ended October 31, 2014, the City's Water and Sewer Fund entered into a loan agreement up to \$10,000,000 with GEFA for upgrades to the wastewater treatment plant on Fort 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 were due on this loan and no interest accrued. Accordingly, the loan has been extended to November 2040.

During the year ended October 31, 2016, the City's Water and 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 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 were due on this loan and no interest accrued. Accordingly, the loan has been extended to February 2039.

During the year ended October 31, 2016, the City's Water and 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 were due on this loan and no interest accrued. Accordingly, the loan has been extended to February 2040.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

Georgia Environmental Finance Authority Loans (Continued)

During the year ended October 31, 2017, the City's Water and 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 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 were due on this loan and no interest accrued. Accordingly, the loan has been extended to August 2030.

During the year ended October 31, 2017, the City's Water and 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-19. For a period of six months (July 1, 2020 – December 31, 2020) no payments were due on this loan and no interest accrued. In September 2020, the loan was again modified to award the City an 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 and 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. Due to the significant increase in pricing, the City needed additional funding for this project. During the year ended October 31, 2023, the City's Water and Sewer Fund entered into an additional loan agreement up to \$3,979,300 with GEFA for this project. The total GEFA funding for this project is now \$6,605,300. As of October 31, 2023, 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.

During the year ended October 31, 2023, the City's Water and Sewer Fund entered into a loan agreement up to \$25,933,600 with GEFA to expand the City's water reclamation facility and upgrade the sewer distribution system. As of October 31, 2023, the City has not made any draws on this loan and has \$25,933,600 available to draw down.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

Georgia Environmental Finance Authority Loans (Continued)

GEFA loans outstanding at October 31, 2023 are as follows:

<u>Purpose</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Due Date</u>	<u>Loan Payable</u>
Water and Sewer Fund Improvements	\$ 1,724,687	1.40%	2035	\$ 1,078,152
Water and Sewer Fund Improvements	634,457	1.09%	2039	498,535
Water and Sewer Fund Improvements	2,105,000	0.89%	2039	1,613,957
Water and Sewer Fund Improvements	6,122,450	1.09%	2040	5,020,947
Water and Sewer Fund Improvements	22,400,000	1.40%	2040	19,510,553
Water and Sewer Fund Improvements	409,000	0.50%	2030	225,167
Water and Sewer Fund Improvements	2,626,000	In construction status		97,665
Stormwater Projects	2,542,459	3.00%	2034	<u>1,491,456</u>
Total loans				29,536,432
Less loans in construction status				<u>(97,665)</u>
Long-term portion in repayment status				29,438,767
Less: current portion				<u>(1,667,345)</u>
Total long-term portion of loans				<u>\$ 27,771,422</u>

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

<u>Fiscal Year Payable</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,667,345	\$ 397,842	\$ 2,065,187
2025	1,691,140	374,046	2,065,186
2026	1,715,317	349,869	2,065,186
2027	1,739,883	325,304	2,065,187
2028	1,764,844	300,342	2,065,186
2029 – 2033	9,106,042	1,113,730	10,219,772
2034 – 2038	8,545,741	495,600	9,041,341
2039 – 2041	3,208,455	44,240	3,252,695
	<u>\$ 29,438,767</u>	<u>\$ 3,400,973</u>	<u>\$ 32,839,740</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

Financed Purchases

The City has entered into a financed purchase as for financing the acquisition of a walking excavator (Spyder). This financed purchase agreement qualifies as a financed purchase for accounting purposes (titles transfer at the end of the term). The financed purchase is being serviced by the Stormwater Utility Fund in quarterly payments with an annual interest rate of 3.260%.

The City has entered into a financed purchase agreement for financing the acquisition of equipment for the Fort Stewart Grounds Maintenance Fund. This agreement qualifies as a financed purchase for accounting purposes (titles transfer at the end of the term). The financed purchase is being serviced by the Fort Stewart Grounds Maintenance Fund in monthly payments with an annual interest rate of 3.00%.

Debt service requirements to maturity as of October 31, 2023 are as follows:

<u>Fiscal Year Payable</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 293,409	\$ 18,977	\$ 312,386
2025	243,321	10,858	254,179
2026	229,534	3,457	232,991
	<u>\$ 766,264</u>	<u>\$ 33,292</u>	<u>\$ 799,556</u>

NOTE 8. INTERFUND BALANCES AND TRANSFERS

Interfund receivable and payable balances as of October 31, 2023 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
ARPA Fund	General Fund	\$ 1,534,915
General Fund	SPLOST Fund	1,591,790
General Fund	TSPLOST Fund	336,710
Nonmajor Governmental	General Fund	644,958
General Fund	Water and Sewer Fund	4,870,093
General Fund	Nonmajor Governmental	275,303
General Fund	Fort Stewart IGSA's Fund	524,014
General Fund	Nonmajor Proprietary	692,713
General Fund	Stormwater Utility Fund	2,008,248
Sanitation Fund	Water and Sewer Fund	109,541
Fort Stewart IGSA's Fund	Water and Sewer Fund	9,693
		<u>\$ 12,597,978</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.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. INTERFUND BALANCES AND TRANSFERS (CONTINUED)

Interfund transfers for the year ended October 31, 2023 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	\$ 153,263
General Fund	Nonmajor Governmental	Program administration	55,239
Nonmajor Governmental	General Fund	Grant program assistance	72,448
Nonmajor Governmental	General Fund	LMIG match	46,614
Nonmajor Proprietary	General Fund	Local match	342,590
			<u>\$ 670,154</u>

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

NOTE 9. PENSION PLAN

A. Plan Description

The City of Hinesville Pension Plan (the “Plan”) is a noncontributory defined benefit pension plan covering all full-time employees. The Plan is administered by the Georgia Municipal Employees Benefit System (“GMEBS”), a statewide, agent multiple-employer type plan. GMEBS handles all administrative and investment functions relative to the Plan. Benefits are fully vested after 10 years of service. Participants become eligible to retire at age 65, with five 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

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN (CONTINUED)

A. Plan Description (Continued)

Plan membership. As of January 1, 2023, pension plan membership consisted of the following:

Retirees and beneficiaries receiving benefits	99
Terminated plan members entitled to, but not receiving, benefits	51
Active plan members	185
Total	<u>335</u>

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, 2023, the City's contribution rate was 11.15% of annual payroll. City contributions to the Plan were \$1,091,562 for the year ended October 31, 2023.

B. Net Pension Liability

The City's net pension liability was measured as of November 30, 2022, which would make it applicable to the fiscal year beginning November 1, 2022 and ended October 31, 2023.

Actuarial assumptions. The total pension liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates for the valuation period were based on the gender-distinct Pri-2012 head-count weighted Mortality Tables. These methods and assumptions were determined to contain sufficient provisions 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN (CONTINUED)

B. Net Pension Liability (Continued)

Actuarial assumptions (Continued). 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, 2022 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%	6.80%
Real estate	10%	3.90%
Global fixed income	5%	0.46%
Domestic fixed income	20%	0.40%
Cash	- %	
Total	<u>100%</u>	

Discount rate. The discount rate used to measure the total pension liability was 7.375%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN (CONTINUED)

B. Net Pension Liability (Continued)

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, 2023 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Beginning Balance	\$ 29,319,563	\$ 27,026,288	\$ 2,293,275
<i>Changes for the year:</i>			
Service cost	300,912	-	300,912
Interest	2,123,015	-	2,123,015
Differences between expected and actual experience	(305,020)	-	(305,020)
Contributions - employer	-	944,551	(944,551)
Net investment income	-	(2,316,361)	2,316,361
Benefit payments, including refunds of employee contributions	(1,667,662)	(1,667,662)	-
Administrative expense	-	(41,861)	41,861
Other	-	-	-
<i>Net changes</i>	451,245	(3,081,333)	3,532,578
Ending Balance	\$ 29,770,808	\$ 23,944,955	\$ 5,825,853

The required schedule of changes in the City's net pension liability and related ratios on pages 65 and 66 presents multi-year trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

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

	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
City's net pension liability	\$ 9,257,197	\$ 5,825,853	\$ 2,937,959

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, 2022, and the current sharing pattern of costs between employer and employee.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN (CONTINUED)

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

For the year ended October 31, 2023, the City recognized pension expense of \$1,258,446. At October 31, 2023, the City reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	\$ 1,354,760	\$ -
Change in assumptions	579,266	-
Differences between expected and actual experience	699,646	244,016
Contributions subsequent to the measurement date	1,000,599	-
Total	\$ 3,634,271	\$ 244,016

City contributions subsequent to the measurement date of \$1,000,599 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending October 31,			
2024		\$	435,523
2025			626,898
2026			531,971
2027			795,264
Total		\$	2,389,656

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 ended October 31, 2023, the City did not provide any contributions to the Hinesville Housing Authority.

NOTES TO FINANCIAL STATEMENTS

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 ("RC") and is required to pay annual dues thereto. During its year ended October 31, 2023, the City paid \$45,358 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated ("O.C.G.A.") §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. O.C.G.A. §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:

Coastal Georgia Regional Commission
1181 Coastal Drive SW
Darien, Georgia 31305

NOTE 12. HOTEL/MOTEL LODGING TAX

The government has levied a 5% lodging tax. 40% of the tax received is paid to the Liberty County Convention and Visitor's Bureau ("CVB"). A summary of the transactions for the year ended October 31, 2023 follows:

Total lodging tax receipts	<u>\$ 255,438</u>
40% of tax receipted owed to the Liberty County Convention and Visitor's Bureau for October 31, 2023	102,175
Tax receipts owed at October 31, 2022	15,779
Disbursements to the Liberty County Convention and Visitor's Bureau during the year ended October 31, 2023	<u>(98,365)</u>
Lodging tax funds due to Liberty County Convention and Visitor's Bureau at October 31, 2023	<u>\$ 19,589</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.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. RISK MANAGEMENT (CONTINUED)

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 workers' compensation law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

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

The City pays unemployment claims to the State Department of Labor on a reimbursement basis. Liabilities for such claims are immaterial and are not accrued.

NOTE 14. DEFERRED COMPENSATION PLANS

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 15. COMMITMENTS AND CONTINGENCIES (CONTINUED)

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 IGSA 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 IGSA Fund.

Grants Contingencies

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

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF HINESVILLE, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS FOR THE FISCAL YEAR ENDED OCTOBER 31,

	2023	2022	2021	2020
Total pension liability				
Service cost	\$ 300,912	\$ 286,173	\$ 283,126	\$ 227,603
Interest on total pension liability	2,123,015	2,004,021	1,929,175	1,768,610
Changes of benefit terms	-	86,423	-	-
Differences between expected and actual experience	(305,020)	889,029	311,031	125,449
Changes of assumptions	-	-	-	1,737,795
Benefit payments, including refunds of employee contributions	(1,667,662)	(1,666,192)	(1,356,792)	(1,319,512)
Other	-	-	-	-
Net change in total pension liability	451,245	1,599,454	1,166,540	2,539,945
Total pension liability - beginning	29,319,563	27,720,109	26,553,569	24,013,624
Total pension liability - ending (a)	29,770,808	29,319,563	27,720,109	26,553,569
Plan fiduciary net position				
Contributions - employer	944,551	1,001,068	897,712	716,266
Net investment income	(2,316,361)	3,934,618	2,945,562	2,402,296
Benefit payments, including refunds of employee contributions	(1,667,662)	(1,666,192)	(1,356,792)	(1,319,512)
Administrative expenses	(41,861)	(43,063)	(41,483)	(36,192)
Net change in fiduciary net position	(3,081,333)	3,226,431	2,444,999	1,762,858
Plan fiduciary net position - beginning	27,026,288	23,799,857	21,354,858	19,592,000
Plan fiduciary net position - ending (b)	23,944,955	27,026,288	23,799,857	21,354,858
City's net pension liability (asset) - ending (a) - (b)	\$ 5,825,853	\$ 2,293,275	\$ 3,920,252	\$ 5,198,711
Plan fiduciary net position as a percentage of total pension liability	80.4%	92.2%	85.9%	80.4%
Covered payroll	\$ 8,950,340	\$ 8,830,110	\$ 8,950,340	\$ 8,969,026
City's net pension liability (asset) as a percentage of covered payroll	65.1%	26.0%	43.8%	58.0%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

	2019	2018	2017	2016	2015
\$	237,021	\$ 246,963	\$ 235,838	\$ 249,629	\$ 249,059
	1,666,643	1,637,604	1,539,328	1,476,027	1,427,825
	287,968	58,474	-	-	111,470
	462,237	(326,166)	452,822	(118,509)	(2,425)
	-	390,674	-	-	(490,211)
	(1,250,265)	(1,055,817)	(864,002)	(716,714)	(630,782)
	-	-	-	-	-
	1,403,604	951,732	1,363,986	890,433	664,936
	22,610,020	21,658,288	20,294,302	19,403,869	18,738,933
	24,013,624	22,610,020	21,658,288	20,294,302	19,403,869
	797,982	798,035	755,734	925,416	1,041,364
	315,757	3,098,018	859,863	481,268	1,503,570
	(1,250,265)	(1,055,817)	(864,002)	(716,714)	(630,782)
	(37,685)	(39,685)	(23,668)	(24,643)	(20,605)
	(174,211)	2,800,551	727,927	665,327	1,893,547
	19,766,211	16,965,660	16,237,733	15,572,406	13,678,859
	19,592,000	19,766,211	16,965,660	16,237,733	15,572,406
\$	4,421,624	\$ 2,843,809	\$ 4,692,628	\$ 4,056,569	\$ 3,831,463
	81.6%	87.4%	78.3%	80.0%	80.3%
\$	8,410,412	\$ 8,533,233	\$ 8,666,623	\$ 8,537,000	\$ 8,693,384
	52.6%	33.3%	54.1%	47.5%	44.1%

CITY OF HINESVILLE, GEORGIA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED OCTOBER 31,**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Actuarially determined contribution	\$ 1,030,419	\$ 996,163	\$ 814,698	\$ 781,381
Contributions in relation to the actuarially determined contribution	<u>1,030,419</u>	<u>998,213</u>	<u>814,698</u>	<u>781,381</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (2,050)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 9,453,375	\$ 8,950,340	\$ 8,969,026	\$ 8,410,412
Contributions as a percentage of covered payroll	10.9%	11.2%	9.1%	9.3%

Notes to the Schedule:

Valuation Date	January 1, 2023
Cost Method	Projected unit credit
Actuarial Asset Valuation Method	Sum of actuarial value at beginning of the year and the cash flow during the year plus assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Assumed Rate of Return on Investments	7.375%
Projected Salary Increases	2.25% plus service based merit increases
Cost of Living Adjustments	N/A
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	10 years

The schedule will present 10 years of information once it is accumulated.

2019	2018	2017	2016	2015
\$ 799,491	\$ 729,511	\$ 824,437	\$ 917,050	\$ 1,041,364
<u>799,491</u>	<u>800,114</u>	<u>755,734</u>	<u>934,596</u>	<u>1,041,364</u>
<u>\$ -</u>	<u>\$ (70,603)</u>	<u>\$ 68,703</u>	<u>\$ (17,546)</u>	<u>\$ -</u>
\$ 8,533,233	\$ 8,666,623	\$ 8,537,000	\$ 8,537,000	\$ 8,693,384
9.4%	9.2%	8.9%	10.9%	12.0%

SUPPLEMENTARY DATA

**COMBINING AND INDIVIDUAL NONMAJOR FUND
FINANCIAL STATEMENTS AND SCHEDULES**

CITY OF HINESVILLE, GEORGIA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
OCTOBER 31, 2023**

	Special Revenue Funds		Capital	Total
	Multiple Grant Fund	Hotel/Motel Tax Fund	Projects Fund LMIG Fund	
ASSETS				
Cash and cash equivalents	\$ 509,661	\$ -	\$ -	\$ 509,661
Receivables, net	-	48,972	-	48,972
Notes receivable, net	342,888	-	-	342,888
Due from other funds	-	-	644,958	644,958
Due from other governments	38,069	-	-	38,069
Total assets	<u>\$ 890,618</u>	<u>\$ 48,972</u>	<u>\$ 644,958</u>	<u>\$ 1,584,548</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 11,234	\$ 19,589	\$ 60,053	\$ 90,876
Due to other funds	245,920	29,383	-	275,303
Total liabilities	<u>257,154</u>	<u>48,972</u>	<u>60,053</u>	<u>366,179</u>
FUND BALANCES				
Restricted for:				
Capital outlay	-	-	584,905	584,905
Assigned:				
Community development	633,464	-	-	633,464
Total fund balances	<u>633,464</u>	<u>-</u>	<u>584,905</u>	<u>1,218,369</u>
Total liabilities and fund balances	<u>\$ 890,618</u>	<u>\$ 48,972</u>	<u>\$ 644,958</u>	<u>\$ 1,584,548</u>

CITY OF HINESVILLE, GEORGIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2023**

	Special Revenue Funds		Capital Projects Fund	Total Nonmajor Governmental Funds
	Multiple Grants Fund	Hotel/Motel Tax Fund	LMIG Fund	
Revenues				
Other taxes	\$ -	\$ 255,438	\$ -	\$ 255,438
Intergovernmental	345,907	-	351,902	697,809
Interest revenues	19,364	-	-	19,364
Total revenues	<u>365,271</u>	<u>255,438</u>	<u>351,902</u>	<u>972,611</u>
Expenditures				
Current:				
Public works	41,068	-	-	41,068
Housing and development	17,134	-	-	17,134
Health and welfare	193,133	-	-	193,133
Culture and recreation	10,100	-	-	10,100
Capital outlay	-	-	441,706	441,706
Intergovernmental	-	102,175	-	102,175
Total expenditures	<u>261,435</u>	<u>102,175</u>	<u>441,706</u>	<u>805,316</u>
Excess (deficiency) of revenues over (under) expenditures	<u>103,836</u>	<u>153,263</u>	<u>(89,804)</u>	<u>167,295</u>
Other financing sources (uses)				
Transfers in	72,448	-	46,614	119,062
Transfers out	(55,239)	(153,263)	-	(208,502)
Total other financing sources (uses)	<u>17,209</u>	<u>(153,263)</u>	<u>46,614</u>	<u>(89,440)</u>
Net change in fund balances	121,045	-	(43,190)	77,855
Fund balances, beginning of year	<u>512,419</u>	<u>-</u>	<u>628,095</u>	<u>1,140,514</u>
Fund balances, end of year	<u>\$ 633,464</u>	<u>\$ -</u>	<u>\$ 584,905</u>	<u>\$ 1,218,369</u>

CITY OF HINESVILLE, GEORGIA

**MULTIPLE GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 752,907	\$ 752,907	\$ 345,907	\$ (407,000)
Interest revenue	-	-	19,364	19,364
Total revenues	<u>752,907</u>	<u>752,907</u>	<u>365,271</u>	<u>(387,636)</u>
Expenditures				
Current				
Public works:				
Highways and streets	-	-	41,068	(41,068)
Total public works	<u>-</u>	<u>-</u>	<u>41,068</u>	<u>(41,068)</u>
Health and welfare:				
Community development	292,426	292,426	193,133	99,293
Total health and welfare	<u>292,426</u>	<u>292,426</u>	<u>193,133</u>	<u>99,293</u>
Culture and recreation:				
Parks and grounds	80,534	80,534	10,100	70,434
Total culture and recreation	<u>80,534</u>	<u>80,534</u>	<u>10,100</u>	<u>70,434</u>
Housing and development:				
Urban redevelopment	362,183	362,183	17,134	345,049
Total housing and development	<u>362,183</u>	<u>362,183</u>	<u>17,134</u>	<u>345,049</u>
Total expenditures	<u>735,143</u>	<u>735,143</u>	<u>261,435</u>	<u>473,708</u>
Excess of revenues over expenditures	<u>17,764</u>	<u>17,764</u>	<u>103,836</u>	<u>86,072</u>
Other financing sources (uses)				
Transfers in	386,810	386,810	72,448	(314,362)
Transfers out	(404,574)	(404,574)	(55,239)	349,335
Total other financing sources (uses)	<u>(17,764)</u>	<u>(17,764)</u>	<u>17,209</u>	<u>34,973</u>
Net change in fund balances	-	-	121,045	121,045
Fund balances, beginning of year	<u>512,419</u>	<u>512,419</u>	<u>512,419</u>	<u>-</u>
Fund balances, end of year	<u>\$ 512,419</u>	<u>\$ 512,419</u>	<u>\$ 633,464</u>	<u>\$ 121,045</u>

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

CITY OF HINESVILLE, GEORGIA

**HOTEL/MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Other taxes	\$ 195,457	\$ 195,457	\$ 255,438	\$ 59,981
Total revenues	<u>195,457</u>	<u>195,457</u>	<u>255,438</u>	<u>59,981</u>
Expenditures				
Current:				
Intergovernmental	78,183	78,183	102,175	(23,992)
Total expenditures	<u>78,183</u>	<u>78,183</u>	<u>102,175</u>	<u>(23,992)</u>
Excess of revenues over expenditures	<u>117,274</u>	<u>117,274</u>	<u>153,263</u>	<u>35,989</u>
Other financing uses				
Transfers out	(117,274)	(117,274)	(153,263)	(35,989)
Total other financing uses	<u>(117,274)</u>	<u>(117,274)</u>	<u>(153,263)</u>	<u>(35,989)</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF HINESVILLE, GEORGIA

**SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX 6 PROCEEDS - 2016 ISSUE
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2023**

Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures		Total
			Prior Years	Current Year	
Public safety vehicles and equipment	\$ 1,000,000	\$ 1,000,000	\$ 1,079,125	\$ 106,003	\$ 1,185,128
Hinesville capital projects - Debt Service	3,150,000	3,150,000	2,522,842	229,350	2,752,192
Ryon Avenue/US 84 @ Bryant Commons	767,000	767,000	60,603	50,312	110,915
LMIG road match	300,000	300,000	150,000	50,000	200,000
Roadway and/or drainage infrastructure	600,000	600,000	326,996	5,000	331,996
Other City projects:	5,950,454	-	-	-	-
Main Street curb gutter and sidewalks	-	1,238,226	187,383	-	187,383
McArthur Road and sidewalks	-	348,367	-	1,587	1,587
Fire station	-	2,700,000	2,758,793	-	2,758,793
Bryant Commons entrance and loop road	-	839,800	-	-	-
Balance of Ryon Ave @ Bryant Commons	-	76,700	600	-	600
Southside Park	-	742,108	1,037,747	390,597	1,428,344
Bradwell Park renovations	-	5,253	1,167,890	261,865	1,429,755
	<u>\$ 11,767,454</u>	<u>\$ 11,767,454</u>	<u>\$ 9,291,979</u>	<u>\$ 1,094,714</u>	<u>\$ 10,386,693</u>

CITY OF HINESVILLE, GEORGIA

**SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX 7 PROCEEDS - 2023 ISSUE
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2023**

<u>Project Description</u>	<u>Original Estimated Cost</u>	<u>Revised Estimated Cost</u>	<u>Expenditures</u>		<u>Total</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Public safety vehicles and equipment	\$ 2,000,000	\$ 2,000,000	\$ -	\$ 53,002	\$ 53,002
Hinesville capital projects - Debt Service	2,600,000	2,600,000	-	229,349	229,349
Hinesville Fire station - Debt Service	2,800,000	2,800,000	-	66,997	66,997
Hinesville public works facility expansion	2,000,000	2,000,000	-	-	-
Ryon Avenue	500,000	500,000	-	-	-
Roadway and/or drainage infrastructure	1,200,000	1,200,000	-	-	-
Krebs Park Phase 2	918,015	918,015	-	92,816	92,816
Bryant Commons Amphitheater	1,000,000	1,000,000	-	-	-
Fire Department training facilities	1,000,000	1,000,000	-	-	-
LMIG additional funding	600,000	600,000	-	-	-
Irene Thomas Park renovations	100,000	100,000	-	-	-
Other City projects	1,810,262	1,810,262	-	-	-
Hineshaw	-	-	-	2,200	2,200
	<u>\$ 16,528,277</u>	<u>\$ 16,528,277</u>	<u>\$ -</u>	<u>\$ 444,364</u>	<u>\$ 444,364</u>

CITY OF HINESVILLE, GEORGIA

**SCHEDULE OF EXPENDITURES OF
TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2023**

Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures		Total
			Prior Years	Current Year	
S. Main Street Phase 1 (30% Project)	\$ 3,153,816	\$ 3,153,816	\$ -	\$ -	\$ -
MLK/Fraser Dr (30% Project)	974,666	974,666	2,853	-	2,853
E Memorial/84 (30% Project)	209,260	209,260	-	1,990	1,990
General Screven/84 (30% Project)	307,281	307,281	-	21,647	21,647
Veterans Pkwy/Walmart signal (30% Project)	961,093	961,093	24,412	10,431	34,843
Main Street Phases I and II (not 30% funds)	7,000,000	7,000,000	-	-	-
Ryon Avenue	2,156,300	2,156,300	-	-	-
Drainage improvements - Sandy Run Drive	20,335	20,335	20,335	-	20,335
Kelly Drive sidewalk	1,144,000	1,144,000	41,262	950,254	991,516
South Main Road failure	375,000	375,000	-	187,147	187,147
Hendry Street Road failure	135,216	135,216	-	7,083	7,083
McArthur Drive	720,494	720,494	-	-	-
Manhole repairs	60,046	60,046	-	10,046	10,046
LMIG additional funds	500,000	500,000	-	-	-
Infrastructure to fire training facility	275,000	275,000	-	-	-
Olive Street sidewalks	1,000,000	1,000,000	-	19,730	19,730
Bradwell Street sidewalks (Kings Rd)	500,000	500,000	-	-	-
Other City projects	3,021,010	3,021,010	-	-	-
	<u>\$ 22,513,517</u>	<u>\$ 22,513,517</u>	<u>\$ 88,862</u>	<u>\$ 1,208,328</u>	<u>\$ 1,297,190</u>

CITY OF HINESVILLE, GEORGIA

**BALANCE SHEET
COMPONENT UNITS
OCTOBER 31, 2023**

	Downtown Development Authority	Hinesville Development Authority
ASSETS		
Cash and cash equivalents	\$ 604,742	\$ 1,564,832
Due from primary government	-	476,300
Assets held for resale	855,829	-
Restricted cash and cash equivalents	110,000	-
Total assets	1,570,571	2,041,132
LIABILITIES		
Accounts payable	6,002	1,018
Due to primary government	136,840	2,577,029
Total liabilities	142,842	2,578,047
FUND BALANCES (DEFICIT)		
Unassigned	1,427,729	(536,915)
Total fund balances (deficit)	\$ 1,427,729	\$ (536,915)
Amounts reported for discretely presented component units in the Statement of Net Position are different because:		
Fund balances of governmental funds	\$ 1,427,729	\$ (536,915)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	29,153	2,406,515
Long-term liabilities (notes payable of \$805,327, retainage payable of \$89,507, and accrued interest of \$11,959) are not due and payable in the current period and, therefore, are not reported in the funds.	-	(906,793)
Net position of discretely presented component units	\$ 1,456,882	\$ 962,807

CITY OF HINESVILLE, GEORGIA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE
COMPONENT UNITS
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2023**

	<u>Downtown Development Authority</u>	<u>Hinesville Development Authority</u>
Revenues		
Charges for services	\$ 40,750	\$ -
Intergovernmental	413,514	-
Interest revenues	3,284	5,732
Other revenues	4,926	838,675
Total revenues	<u>462,474</u>	<u>844,407</u>
Expenditures		
Current:		
General government	318,857	10,134
Housing and development	9,162	923,536
Debt service:		
Principal	-	57,523
Interest and fiscal charges	-	11,959
Total expenditures	<u>328,019</u>	<u>1,003,152</u>
Excess (deficiency) of revenues over (under) expenditures	<u>134,455</u>	<u>(158,745)</u>
Other financing sources		
Debt proceeds	-	614,537
Total other financing sources	<u>-</u>	<u>614,537</u>
Net change in fund balances	134,455	455,792
Fund balance (deficit), beginning of year	<u>1,293,274</u>	<u>(992,707)</u>
Fund balance (deficit), end of year	<u>\$ 1,427,729</u>	<u>\$ (536,915)</u>
Amounts reported for discretely presented component units in the Statement of Activities are different because:		
Net change in fund balances	\$ 134,455	\$ 455,792
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period for the Downtown Development Authority. For the Hinesville Development Authority, this is capital outlay in the current period.	(1,064)	923,536
The issuance of long-term debt (\$614,537) (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long- term debt (\$57,523) consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.	-	(557,014)
Some expenses (accrued interest) 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.	-	(11,959)
Change in net position of discretely presented component units	<u>\$ 133,391</u>	<u>\$ 810,355</u>

STATISTICAL SECTION

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends	78 – 82
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	83 – 90
<i>These schedules contain information to help the reader understand and assess the factors affecting the City's ability to generate its most significant local revenue sources, the property tax and sales tax.</i>	
Debt Capacity	91 – 94
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	95 – 98
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.</i>	
Operating Information	99 – 103
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	

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

CITY OF HINESVILLE, GEORGIA

**NET POSITION BY ACTIVITY
LAST TEN FISCAL YEARS
(accrual basis of accounting)**

	Fiscal Year									
	2014	2015*	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net investment in capital assets	\$ 45,709,098	\$ 45,242,694	\$ 44,224,393	\$ 43,505,785	\$ 42,516,077	\$ 41,626,875	\$ 40,385,066	\$ 40,161,373	\$ 42,783,697	\$ 47,412,558
Restricted	-	215,700	175,473	126,480	996,976	3,056,647	5,040,193	9,558,113	14,040,170	16,565,267
Unrestricted	3,824,687	193,261	1,239,675	2,835,998	4,658,356	5,055,458	8,680,444	13,137,951	15,017,075	18,871,972
Total governmental activities net position	<u>\$ 49,533,785</u>	<u>\$ 45,651,655</u>	<u>\$ 45,639,541</u>	<u>\$ 46,468,263</u>	<u>\$ 48,171,409</u>	<u>\$ 49,738,980</u>	<u>\$ 54,105,703</u>	<u>\$ 62,857,437</u>	<u>\$ 71,840,942</u>	<u>\$ 82,849,797</u>
Business-type activities										
Net investment in capital assets	\$ 36,872,572	\$ 39,090,656	\$ 36,416,043	\$ 34,697,745	\$ 32,386,012	\$ 32,997,042	\$ 32,285,129	\$ 33,931,413	\$ 33,917,836	\$ 38,302,347
Restricted	902,015	740,360	903,915	903,915	902,065	900,873	902,823	902,378	784,128	37,853
Unrestricted	2,119,014	(809,813)	1,161,704	3,948,839	8,053,852	11,351,809	13,799,477	13,721,904	14,647,364	12,153,357
Total business-type activities net position	<u>\$ 39,893,601</u>	<u>\$ 39,021,203</u>	<u>\$ 38,481,662</u>	<u>\$ 39,550,499</u>	<u>\$ 41,341,929</u>	<u>\$ 45,249,724</u>	<u>\$ 46,987,429</u>	<u>\$ 48,555,695</u>	<u>\$ 49,349,328</u>	<u>\$ 50,493,557</u>
Primary government										
Net investment in capital assets	\$ 82,581,670	\$ 84,333,350	\$ 80,640,436	\$ 78,203,530	\$ 74,902,089	\$ 74,623,917	\$ 72,670,195	\$ 74,092,786	\$ 76,701,533	\$ 85,714,905
Restricted	902,015	956,060	1,079,388	1,030,395	1,899,041	3,957,520	5,943,016	10,460,491	14,824,298	16,603,120
Unrestricted	5,943,701	(616,552)	2,401,379	6,784,837	12,712,208	16,407,267	22,479,921	26,859,855	29,664,439	31,025,329
Total primary government net position	<u>\$ 89,427,386</u>	<u>\$ 84,672,858</u>	<u>\$ 84,121,203</u>	<u>\$ 86,018,762</u>	<u>\$ 89,513,338</u>	<u>\$ 94,988,704</u>	<u>\$ 101,093,132</u>	<u>\$ 111,413,132</u>	<u>\$ 121,190,270</u>	<u>\$ 133,343,354</u>

Note: GASB 68 was implemented during fiscal year 2015.

CITY OF HINESVILLE, GEORGIA

CHANGES IN NET POSITION LAST TEN FISCAL YEARS (accrual basis of accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government	\$ 2,787,319	\$ 2,671,074	\$ 2,655,291	\$ 2,905,460	\$ 2,667,071	\$ 2,921,312	\$ 3,181,179	\$ 3,146,069	\$ 3,186,890	\$ 4,329,611
Judicial	489,298	473,800	497,030	505,069	463,165	299,009	293,311	337,142	294,547	341,594
Public safety	9,927,371	9,245,840	9,655,137	9,852,898	9,815,109	10,734,917	11,385,046	10,804,520	11,750,278	13,648,779
Public works	2,581,340	3,047,557	3,111,754	2,812,958	3,803,578	4,014,287	3,459,915	3,817,145	3,981,546	4,168,207
Housing and development	2,255,583	1,829,571	1,664,079	2,129,339	1,721,698	1,917,074	1,941,082	1,891,517	1,666,331	1,704,549
Health and welfare	743,587	682,611	669,871	701,923	761,102	953,307	1,053,405	1,368,403	640,006	826,217
Culture and recreation	864,952	821,679	832,611	941,725	851,389	892,926	892,493	345,029	1,068,997	1,093,749
Interest and fiscal charges	334,092	351,345	160,528	142,853	131,931	122,836	113,504	103,913	158,946	184,000
Total government activities expenses	<u>\$ 19,983,542</u>	<u>\$ 19,123,477</u>	<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>	<u>\$ 22,747,541</u>	<u>\$ 26,296,706</u>
Business-type activities:										
Water and sewer	\$ 9,285,371	\$ 9,170,103	\$ 9,420,497	\$ 8,945,220	\$ 9,105,838	\$ 9,592,558	\$ 10,298,591	\$ 10,660,140	\$ 12,053,133	\$ 12,482,387
Sanitation	2,756,948	2,726,225	2,854,564	2,902,614	3,155,106	3,069,620	3,252,807	3,421,519	3,730,347	3,973,475
Stormwater utility	1,317,097	1,320,860	1,380,540	1,339,530	1,361,657	1,461,797	1,399,288	1,578,910	1,616,092	1,645,631
Transit	862,768	892,172	687,820	787,852	807,070	904,230	921,360	1,055,519	1,333,033	1,166,348
Fort Stewart grounds maintenance	-	-	-	-	-	-	685,722	2,474,181	2,980,876	3,239,513
Total business-type activities expenses	<u>\$ 14,222,184</u>	<u>\$ 14,109,360</u>	<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>\$ 21,713,481</u>	<u>\$ 22,507,354</u>
Total primary government expenses	<u>\$ 34,205,726</u>	<u>\$ 33,232,837</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>	<u>\$ 44,461,022</u>	<u>\$ 48,804,060</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,105,783	\$ 1,023,920	\$ 1,144,260	\$ 1,195,795	\$ 1,193,594	\$ 1,280,575	\$ 1,244,120	\$ 1,513,258	\$ 1,399,030	\$ 1,473,728
Judicial	100,641	107,613	95,970	67,697	67,729	80,060	63,913	69,536	58,669	69,250
Public safety	1,304,429	1,293,217	1,424,465	1,343,421	1,223,497	1,384,994	1,419,438	1,529,100	1,551,181	1,436,735
Public works	17,721	18,654	17,469	19,483	17,551	19,194	20,912	20,795	21,729	23,279
Housing and development	387,775	360,344	364,919	387,134	367,315	593,025	310,575	309,397	666,290	591,010
Operating grants and contr.	920,415	674,829	410,166	900,993	594,834	796,603	2,723,001	1,401,409	1,427,187	4,128,945
Capital grants and contr.	2,287,199	527,784	403,131	1,133,282	2,823,248	2,678,902	3,066,765	6,342,880	6,603,854	8,195,723
Total gov't activities program revenues	<u>\$ 6,123,963</u>	<u>\$ 4,006,361</u>	<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>	<u>\$ 11,727,940</u>	<u>\$ 15,918,670</u>

(Continued)

CITY OF HINESVILLE, GEORGIA

CHANGES IN NET POSITION LAST TEN FISCAL YEARS (accrual basis of accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Program Revenues (Continued)										
Business-type activities:										
Charges for services:	\$ 12,217,064	\$ 12,645,790	\$ 12,939,435	\$ 13,910,665	\$ 14,783,174	\$ 16,590,101	\$ 17,044,130	\$ 19,132,747	\$ 21,151,163	\$ 21,929,875
Operating grants and contr.	418,520	436,148	437,283	520,803	620,733	1,459,868	867,631	1,432,724	895,245	953,476
Capital grants and contr.	-	-	-	297,652	462,000	259,527	151,162	-	-	-
Total business-type activities program revenues	<u>\$ 12,635,584</u>	<u>\$ 13,081,938</u>	<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>\$ 22,046,408</u>	<u>\$ 22,883,351</u>
Total primary government program revenues	<u>\$ 18,759,547</u>	<u>\$ 17,088,299</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>	<u>\$ 33,774,348</u>	<u>\$ 38,802,021</u>
Net (expense)/revenue										
Governmental activities	\$ (13,859,579)	\$ (15,117,116)	\$ (15,385,921)	\$ (14,944,420)	\$ (13,927,275)	\$ (15,022,315)	\$ (13,471,211)	\$ (10,627,363)	\$ (11,019,601)	\$ (10,378,036)
Business-type activities	(1,586,600)	(1,027,422)	(966,703)	753,904	1,436,236	3,281,291	1,505,155	1,375,202	332,927	375,997
Total primary government net expense	<u>\$ (15,446,179)</u>	<u>\$ (16,144,538)</u>	<u>\$ (16,352,624)</u>	<u>\$ (14,190,516)</u>	<u>\$ (12,491,039)</u>	<u>\$ (11,741,024)</u>	<u>\$ (11,966,056)</u>	<u>\$ (9,252,161)</u>	<u>\$ (10,686,674)</u>	<u>\$ (10,002,039)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes	\$ 14,581,189	\$ 15,430,521	\$ 15,527,802	\$ 15,728,268	\$ 15,748,500	\$ 16,773,291	\$ 17,706,894	\$ 19,330,846	\$ 20,183,276	\$ 21,365,136
Federal and state grants and other contributions not restricted to specific functions	17,176	14,127	17,005	23,137	29,895	-	-	-	-	-
Investment earnings	14,983	11,375	14,304	17,745	46,329	81,405	56,727	18,819	56,876	237,953
Other revenues	22,870	16,060	50,748	14,824	46,116	90,003	119,040	49,417	79,984	126,392
Gain on sale of assets	3,425	28,449	-	-	-	-	-	-	-	-
Transfers	(195,494)	(214,891)	(209,252)	(237,632)	(240,419)	(354,813)	(44,727)	(19,985)	(317,030)	(342,590)
Total governmental activities	<u>14,444,149</u>	<u>15,285,641</u>	<u>15,400,607</u>	<u>15,546,342</u>	<u>15,630,421</u>	<u>16,589,886</u>	<u>17,837,934</u>	<u>19,379,097</u>	<u>20,003,106</u>	<u>21,386,891</u>
Business-type activities:										
contributions not restricted to specific	-	-	-	-	-	-	-	-	-	-
Investment earnings	5,959	6,019	7,141	17,215	58,423	204,101	118,217	45,963	51,684	333,458
Transfers	195,494	214,891	209,252	237,632	240,419	354,813	44,727	19,985	317,030	342,590
Total business-type activities	<u>506,569</u>	<u>280,303</u>	<u>427,162</u>	<u>314,933</u>	<u>355,194</u>	<u>626,504</u>	<u>232,550</u>	<u>193,064</u>	<u>460,706</u>	<u>768,232</u>
Total primary government	<u>\$ 14,950,718</u>	<u>\$ 15,565,944</u>	<u>\$ 15,827,769</u>	<u>\$ 15,861,275</u>	<u>\$ 15,985,615</u>	<u>\$ 17,216,390</u>	<u>\$ 18,070,484</u>	<u>\$ 19,572,161</u>	<u>\$ 20,463,812</u>	<u>\$ 22,155,123</u>
Changes in Net Position										
Governmental activities	\$ 584,570	\$ 168,525	\$ 14,686	\$ 601,922	\$ 1,703,146	\$ 1,567,571	\$ 4,366,723	\$ 8,751,734	\$ 8,983,505	\$ 11,008,855
Business-type activities	(1,080,031)	(747,119)	(539,541)	1,068,837	1,791,430	3,907,795	1,737,705	1,568,266	793,633	1,144,229
Total primary government	<u>\$ (495,461)</u>	<u>\$ (578,594)</u>	<u>\$ (524,855)</u>	<u>\$ 1,670,759</u>	<u>\$ 3,494,576</u>	<u>\$ 5,475,366</u>	<u>\$ 6,104,428</u>	<u>\$ 10,320,000</u>	<u>\$ 9,777,138</u>	<u>\$ 12,153,084</u>

CITY OF HINESVILLE, GEORGIA

**FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund:										
Non-spendable	\$ 121,357	\$ 122,219	\$ 131,619	\$ 184,598	\$ 145,541	\$ 154,847	\$ 181,297	\$ 195,607	\$ 197,624	\$ 226,550
Restricted	104,935	112,550	99,123	50,130	52,519	53,246	54,606	75,608	2,525,572	3,372,037
Assigned	1,160,020	458,699	458,699	458,699	458,699	458,699	458,699	458,699	525,400	757,426
Unassigned	1,367,011	2,238,945	2,976,351	3,654,375	4,534,152	6,354,165	10,036,137	14,037,717	17,673,753	19,061,254
Total General Fund	<u>\$ 2,753,323</u>	<u>\$ 2,932,413</u>	<u>\$ 3,665,792</u>	<u>\$ 4,347,802</u>	<u>\$ 5,190,911</u>	<u>\$ 7,020,957</u>	<u>\$ 10,730,739</u>	<u>\$ 14,767,631</u>	<u>\$ 20,922,349</u>	<u>\$ 23,417,267</u>
All Other Governmental Funds										
Restricted:	\$ 113,150	\$ 103,150	\$ 76,350	\$ 944,456	\$ 2,219,746	\$ 3,003,401	\$ 4,985,587	\$ 9,482,505	\$ 10,989,198	\$ 15,176,868
Assigned:	383,242	383,242	393,137	404,752	510,861	441,546	449,510	496,929	512,419	633,464
Total all other Governmental Funds	<u>\$ 496,392</u>	<u>\$ 486,392</u>	<u>\$ 469,487</u>	<u>\$ 1,349,208</u>	<u>\$ 2,730,607</u>	<u>\$ 3,444,947</u>	<u>\$ 5,435,097</u>	<u>\$ 9,979,434</u>	<u>\$ 11,501,617</u>	<u>\$ 15,810,332</u>

CITY OF HINESVILLE, GEORGIA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (modified accrual basis of accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes	\$ 14,627,280	\$ 15,494,583	\$ 15,566,083	\$ 15,790,940	\$ 15,723,781	\$ 16,794,649	\$ 17,642,516	\$ 19,359,381	\$ 20,121,032	\$ 21,386,454
Licenses and permits	640,027	631,973	660,685	701,765	656,531	846,456	588,310	613,247	985,312	888,227
Charges for services	1,153,508	1,166,165	1,238,511	1,271,603	1,351,997	1,394,296	1,302,794	1,562,822	1,497,625	1,416,322
Intergovernmental	3,216,859	1,202,270	824,700	2,249,470	3,442,632	3,434,943	5,757,959	7,728,121	7,998,370	12,083,771
Fines, forfeitures, and fees	1,001,938	979,319	1,037,609	945,535	790,149	1,033,348	1,100,755	1,177,825	1,153,286	1,207,406
Interest revenues	14,983	11,375	14,304	17,745	46,330	117,040	86,108	40,519	89,548	478,350
Other revenues	132,872	116,711	132,278	100,575	130,680	177,824	196,249	125,691	157,158	216,036
Total revenues	20,787,467	19,602,396	19,474,170	21,077,633	22,142,100	23,798,556	26,674,691	30,607,606	32,002,331	37,676,566
Expenditures										
General government	2,436,995	2,515,770	2,462,081	2,736,332	2,539,817	2,667,362	2,919,721	2,955,206	3,041,783	4,096,556
Judicial	489,280	487,142	506,583	506,101	476,210	300,920	287,789	335,652	314,810	333,845
Public safety	9,703,697	9,464,265	9,893,703	10,104,362	10,120,127	10,848,313	11,052,926	11,166,110	14,746,894	17,138,170
Public works	1,523,233	1,607,665	1,645,126	1,515,733	1,623,466	1,699,598	1,866,419	1,964,087	2,026,036	2,255,611
Housing and development	1,695,689	1,483,759	1,310,841	1,730,534	1,448,479	1,559,787	1,610,102	1,532,113	1,302,313	1,335,628
Health and welfare	744,207	697,513	678,024	703,449	770,010	949,845	1,048,531	1,384,300	666,326	816,760
Culture and recreation	510,700	466,919	457,749	556,603	474,183	525,003	495,621	542,429	637,139	625,116
Capital outlay	1,146,265	624,338	397,314	192,353	1,079,305	1,208,480	506,380	940,065	2,429,658	2,598,392
Debt service:										
Principal	830,000	845,000	296,149	313,673	324,557	333,575	342,844	352,369	362,160	372,223
Interest	339,070	350,084	162,550	145,027	134,142	125,123	115,855	106,329	148,039	153,473
Intergovernmental assistance	885,769	704,409	738,324	774,102	686,877	681,351	683,845	727,732	833,242	804,569
Total expenditures	20,304,905	19,246,864	18,548,444	19,278,269	19,677,173	20,899,357	20,930,033	22,006,392	26,508,400	30,530,343
Excess of revenues over expenditures	482,562	355,532	925,726	1,799,364	2,464,927	2,899,199	5,744,658	8,601,214	5,493,931	7,146,223
Other Financing Sources (Uses)										
Sale of capital assets	3,425	28,449	-	-	-	-	-	-	-	-
Transfers in	436,333	424,420	309,792	337,164	362,868	280,073	230,128	249,806	270,380	327,564
Transfers out	(631,827)	(639,311)	(519,044)	(574,797)	(603,287)	(634,886)	(274,854)	(269,791)	(587,410)	(670,154)
Bonds issued	-	-	-	-	-	-	-	-	2,500,000	-
Total other financing sources (uses)	(192,069)	(186,442)	(209,252)	(237,633)	(240,419)	(354,813)	(44,726)	(19,985)	2,182,970	(342,590)
Net change in fund balance	\$ 290,493	\$ 169,090	\$ 716,474	\$ 1,561,731	\$ 2,224,508	\$ 2,544,386	\$ 5,699,932	\$ 8,581,229	\$ 7,676,901	\$ 6,803,633
Debt service as a percentage of non-capital expenditures	6.16%	6.32%	2.52%	2.46%	2.38%	2.26%	2.22%	2.22%	2.37%	2.13%

CITY OF HINESVILLE, GEORGIA

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

Digest Tax 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 % of Actual Value
	Residential	Commercial								
2013 ⁽¹⁾	\$ 415,473,979	\$ 179,621,821	\$ 2,677,927	\$ 51,003,100	\$ 12,762,472	\$ 9,893,404	\$ 651,678,136	10.50	\$ 1,629,195,340	40%
2014 ⁽¹⁾	430,768,947	171,422,551	2,401,180	41,498,360	13,442,354	10,695,178	648,838,214	11.51	1,622,095,535	40%
2015 ⁽¹⁾	418,627,632	174,935,601	2,273,785	28,916,710	11,897,942	15,869,333	620,782,337	11.51	1,551,955,843	40%
2016 ⁽¹⁾	426,311,334	182,376,839	2,285,117	21,708,980	13,061,030	22,864,283	622,879,017	11.00	1,557,197,543	40%
2017 ⁽¹⁾	434,646,237	192,757,630	2,078,806	13,686,650	11,702,212	27,819,144	627,052,391	10.75	1,567,630,978	40%
2018 ⁽¹⁾	445,603,281	191,003,242	2,048,032	11,402,470	12,194,673	33,146,932	629,104,766	10.70	1,572,761,915	40%
2019 ⁽¹⁾	461,258,929	192,705,696	2,017,609	8,878,050	12,945,164	37,563,883	640,241,565	10.50	1,600,603,913	40%
2020 ⁽¹⁾	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%
2021 ⁽¹⁾	517,859,389	218,454,117	2,430,233	5,978,960	23,338,168	54,267,287	713,793,580	10.50	1,784,483,950	40%
2022 ⁽¹⁾	603,430,889	227,581,610	2,385,351	5,367,530	16,334,645	108,806,933	746,293,092	10.30	1,865,732,730	40%

⁽¹⁾ Source: Liberty County Tax Commissioner

CITY OF HINESVILLE, GEORGIA

**PROPERTY TAX RATES
LAST TEN TAX DIGEST YEARS**

Tax Digest Year	Total Millage Rate	City of Hinesville	Liberty County	Board of Education	Industrial Authority	Hospital Authority	State of Georgia
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	-
2021	47.045	10.500	14.800	15.902	2.000	3.843	-
2022	46.193	10.300	14.800	15.250	2.000	3.843	-

Source: Liberty County Tax Commissioner

CITY OF HINESVILLE, GEORGIA

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

Taxpayer	2022 Tax Digest			2012 Tax Digest		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Orei Liberty Club Property Owner	\$ 13,950,042	1	2.24%	\$ -	-	-
Georgia Power Company	12,650,466	2	2.03%	8,489,434	1	1.79%
1300 Independence Place	9,288,857	3	1.49%	5,623,132	2	1.18%
Tattersall Village Apts	7,127,524	4	1.14%	-	-	-
Walmart Stores East	5,658,687	5	0.91%	3,476,991	5	0.73%
Comcast Cablevision	4,982,528	6	0.80%	-	-	-
Dryden Enterprises	4,963,380	7	0.80%	-	-	-
Walmart Real Estate	3,459,287	8	0.56%	3,911,939	4	0.82%
JT Hinesville LP	3,278,957	9	0.53%	-	-	-
Liberty Square	2,571,521	10	0.41%	-	-	-
Fort Stewart Liberty, LLC	-	-	-	4,803,330	3	1.01%
Quinnco	-	-	-	2,526,272	9	0.53%
Lowe's Home Center	-	-	-	2,761,904	7	0.58%
Horsecreek Partners	-	-	-	3,408,899	6	0.72%
Hinesville Retail Investors	-	-	-	2,595,695	8	0.55%
The Hinesville Group	-	-	-	2,305,523	10	0.48%
Total	\$ 67,931,249		10.91%	\$ 39,903,119		8.39%

CITY OF HINESVILLE, GEORGIA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Tax Year	Taxes Levied	Errors, Releases or Adjustments	Adjusted Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$ 6,273,751	\$ (150,324)	\$ 6,123,427	\$ 5,958,723	97.31%	\$ 162,595	\$ 6,121,318	99.97%
2014	6,538,865	(82,613)	6,456,252	6,293,023	97.47%	161,290	6,454,313	99.97%
2015	6,421,496	(71,793)	6,349,703	6,255,445	98.52%	90,868	6,346,313	99.95%
2016	6,227,110	(47,053)	6,180,057	6,092,900	98.59%	79,938	6,172,838	99.88%
2017	6,207,598	(137,858)	6,069,740	6,028,026	99.31%	36,377	6,064,403	99.91%
2018	6,185,443	(44,988)	6,140,455	6,084,637	99.09%	51,268	6,135,905	99.93%
2019	6,171,458	(35,443)	6,136,015	6,082,701	99.13%	48,763	6,131,464	99.93%
2020	6,475,630	(4,789)	6,470,841	6,435,886	99.46%	25,053	6,460,939	99.85%
2021	6,839,235	(157,654)	6,681,581	6,584,723	98.55%	96,222	6,680,945	99.99%
2022	7,481,147	(206,409)	7,274,738	7,249,729	99.66%	-	7,249,729	99.66%

Source: Liberty County Tax Commissioner

CITY OF HINESVILLE, GEORGIA

**LOCAL OPTION SALES TAX HISTORY
LAST TEN CALENDAR YEARS**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
January	\$ 261,020	\$ 266,204	\$ 244,441	\$ 269,454	\$ 287,675	\$ 321,211	\$ 332,994	\$ 397,785	\$ 417,838	\$ 482,548
February	292,382	284,642	292,871	279,172	284,994	337,498	342,333	386,013	459,696	470,201
March	314,874	266,474	295,532	331,226	330,453	406,821	405,913	525,314	548,282	617,532
April	279,745	280,220	275,660	301,503	295,557	357,147	352,952	466,076	494,561	511,562
May	291,239	284,390	271,471	300,813	298,473	365,433	369,887	483,327	485,826	488,271
June	286,409	293,808	284,358	315,432	326,172	370,338	383,562	497,455	495,340	523,190
July	292,715	303,645	274,709	308,906	306,435	373,166	375,449	475,197	490,163	569,949
August	292,388	294,338	273,711	290,451	305,068	365,939	818,180	441,835	475,892	508,185
September	288,794	299,112	270,335	295,536	298,426	345,289	384,675	452,420	479,809	516,360
October	289,435	278,486	280,987	284,572	306,357	342,019	446,080	439,586	483,660	521,038
November	281,209	275,889	283,806	301,853	320,576	346,797	393,950	466,072	480,427	540,099
December	312,866	311,082	268,153	332,503	369,392	376,339	471,350	537,922	561,116	565,164
Pro Rata Adjustment	1,737	428	1,426	871	1,225	2,776	966	1,049	2,646	1,107
Total	\$ 3,484,813	\$ 3,438,717	\$ 3,317,460	\$ 3,612,293	\$ 3,730,804	\$ 4,310,772	\$ 5,078,291	\$ 5,570,051	\$ 5,875,255	\$ 6,315,204

CITY OF HINESVILLE, GEORGIA

**WATER AND SEWER RATES
LAST TEN FISCAL YEARS**

Fiscal Years ended October 31,	Water		Sewer	
	Gallons	Charge	Gallons	Charge
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)-3]	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]
2018-2022	up to 3,000	\$14.12	up to 5,000	\$14.12
	3,001 - 7,000	\$14.12+\$2.20 x [(consumption/1,000)-3]	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]
2023	up to 3,000	\$14.40	up to 5,000	\$14.40
	3,001 - 7,000	\$14.40+\$2.24 x [(consumption/1,000)-3]	5,001 - 7,000	\$14.40+\$2.24 x [(consumption/1,000)-5]
	7,001 - 12,000	\$23.36+\$2.50 x [(consumption/1,000)-7]	7,001 - 12,000	\$18.88+\$2.50 x [(consumption/1,000)-7]
	12,001 - 20,000	\$35.86+\$2.78 x [(consumption/1,000)-12]	12,001 - 20,000	\$31.38+\$2.78 x [(consumption/1,000)-12]
	20,001 - Over	\$58.10+\$3.54 x [(consumption/1,000)-20]	20,001 - Over	\$53.62+\$3.54 x [(consumption/1,000)-20]

Source: City of Hinesville Water Department

CITY OF HINESVILLE, GEORGIA

**WATER AND SEWER CONSUMPTION
LAST TEN FISCAL YEARS**

Fiscal Year Ended October 31,	Total Water Customers	Daily Water Consumption		Total Sewer Customers	Daily Sewer Consumption		Annual Water Consumption by Type (in thousands of gallons)			
		Peak (MGD)	Average (MGD)		Peak (MGD)	Average (MGD)	Residential	Industrial	Commercial	Government
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
2022	12,212	3.674	3.611	12,023	6.143	5.317	917,302	1,474	194,061	28,641
2023	12,679	3.808	3.722	12,541	5.574	5.053	943,975	2,279	187,749	22,088

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**

<u>Customer</u>	<u>Gallons Metered</u>	<u>Water Revenue</u>	<u>Sewer Revenue</u>	<u>Total Revenue</u>
Independence Place	191,004	\$ 67,475.71	\$ 67,426.43	\$ 134,902.14
Raintree Apartments	160,350	56,612	56,558	113,169
Liberty Co. Jail	110,613	39,005	38,951	77,955
Liberty Regional Hospital	88,203	31,186	31,132	62,318
Pines at Willowbrook	85,845	30,237	30,183	60,420
Tattersall Village	81,137	37,111	37,107	74,218
Woodwind North	78,426	27,610	27,557	55,167
Northgate Apts.	72,512	25,517	25,463	50,980
Bradwell Institute	63,467	22,315	22,261	44,576
Happy Acres	62,617	20,550	25,279	45,829
Totals	<u>994,174</u>	<u>\$ 357,617</u>	<u>\$ 361,916</u>	<u>\$ 719,534</u>

Source: City of Hinesville Water Department

CITY OF HINESVILLE, GEORGIA

LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS

Fiscal Years Ended October 31,	Assessed value of taxable property	Debt Limit (10% of assessed value)	Amount of outstanding debt applicable to debt limit	Legal debt margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2014	\$ 651,678,136.00	\$ 65,167,813.60	-	\$ 65,167,813.60	-
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
2022	713,793,580	71,379,358	-	71,379,358	0.00
2023	746,293,092	74,629,309	-	74,629,309	0.00

CITY OF HINESVILLE, GEORGIA

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

Fiscal Year	Governmental Activities	Business-Type Activities		Total Primary Government	Per Capita⁽¹⁾	Percentage of Personal Income⁽¹⁾
	Refunding Revenue Bonds	Revenue Bonds	Notes and Financed Purchases			
2014	\$ 6,451,969	\$ 8,771,483	\$ 4,536,172	\$ 19,759,624	303	0.93%
2015	5,610,000	8,021,983	6,482,638	20,114,621	322	0.96%
2016	5,313,851	7,275,131	18,855,402	31,444,384	479	1.49%
2017	5,000,178	6,509,602	27,670,311	39,180,091	607	1.80%
2018	4,675,619	5,725,299	33,868,263	44,269,181	697	2.01%
2019	4,342,057	4,927,375	34,818,494	44,087,926	717	1.92%
2020	3,999,200	4,120,242	35,798,368	43,917,810	697	1.74%
2021	3,646,831	3,299,033	34,165,143	41,111,007	626	1.50%
2022	5,784,671	2,463,914	32,250,013	40,498,598	616	1.48%
2023	5,412,448	1,730,087	30,302,696	37,445,231	574	1.39%

Note:

Details regarding the City's outstanding 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, 2023

Jurisdiction	Amount of Authorized Overlapping Debt	Amount of Outstanding Debt as of 10/31/2023	Percentage Applicable to the City of Hinesville ^(a)	Amount Applicable to the City of Hinesville
City of Hinesville, Georgia - Direct Debt				
Public Facilities Authority Bonds, Refunding Revenue Bond (City of Hinesville Projects), Series 2015	\$ 5,610,000	\$ 2,912,448	100.00%	\$ 2,912,448
Public Facilities Authority Bonds, Refunding Revenue Bond (City of Hinesville Fire Station), Series 2022B	\$ 2,500,000	\$ 2,500,000	100.00%	2,500,000
Subtotal direct debt				5,412,448
Liberty County, Georgia - Overlapping Debt				
Liberty County Projects Corporation, 2011 Series	4,772,039	2,688,026	38.83%	1,043,757
Public Facilities Authority Bonds, 2016 Series A	2,931,746	1,606,163	38.83%	623,671
Public Facilities Authority Bonds, 2016 Series B	1,404,608	850,230	38.83%	330,143
Public Facilities Authority Bonds, 2016 Series V	3,113,965	2,636,026	38.83%	1,023,566
Public Facilities Authority Bonds, 2020 Series	16,821,000	9,000,000	38.83%	3,494,689
Public Facilities Authority Bonds, 2022 Series	12,500,000	12,500,000	38.83%	4,853,735
Subtotal overlapping debt				11,369,562
Total direct and overlapping debt				\$ 16,782,010

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**

Fiscal Year	Water Revenue Bonds						Coverage Ratio
	Utility Service Charges	Less: Operating Expenses ⁽¹⁾	Net Available Revenue	Debt Service ⁽²⁾			
				Principal	Interest		
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	
2022	12,889,457	9,053,404	3,836,053	830,000	72,378	4.25	
2023	13,168,375	9,502,211	3,666,164	730,000	54,128	4.68	

⁽¹⁾ Operating expenses do not include interest, depreciation, amortization expenses, or support departments such as administration and finance.

⁽²⁾ Details regarding the City's outstanding debt can be found in the notes to the financial statements.

CITY OF HINESVILLE, GEORGIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population ⁽¹⁾	Personal Income ⁽¹⁾	Per Capita Personal Income ⁽¹⁾	Median Age ⁽²⁾	Unemployment Rate ⁽³⁾	School Enrollment ⁽⁴⁾		
						Private	Public	Home Schooled
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	65,711	2,738,189	41,672	29	7.00%	320	10,148	N/A
2022	65,256	2,690,121	41,052	29	2.90%	382	10,303	N/A
2023	65,256*	2,690,121*	41,052	28	3.60%	445	10,609	N/A

* Information not yet available from BEA, using FY 2022 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
Population, percent change, 2001 to 2020	10.00%	3.00%	18.30%	9.70%
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%	80.00%	50.00%	1.30%
Asian persons, percent	2.80%	21.00%	4.40%	5.90%
Native Hawaiian and Other Pacific Islander, percent	0.60%	60.00%	10.00%	20.00%
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%
Persons reporting some other race, percent	6.10%	4.70%	2.20%	6.20%
Persons reporting two or more races, percent	6.10%	4.70%	2.20%	2.90%
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%

(Continued)

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>
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 units	\$ 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, GEORGIA

**TEN LARGEST EMPLOYERS IN LIBERTY COUNTY
CURRENT YEAR AND TEN YEARS AGO**

Employer	2023			2013		
	Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Fort Stewart Civilian Employees	4,350	1	17.15%	3,875	1	15.06%
SNF, Inc.	1,500	2	5.91%	1,275	3	5.37%
Liberty County Board of Education	1,479	3	5.83%	1,825	2	7.69%
Target	850	4	3.35%	475	6	2.00%
WalMart Super Center	375	5	1.48%	495	5	2.09%
Liberty County Board of Commissioners	365	6	1.44%	348	7	1.47%
Hugo Boss DC	360	7	1.42%	200	10	0.89%
Liberty Regional Medical Center	325	8	1.28%	550	4	2.32%
DS Smith Paper Mill (Interstate Paper)	247	9	0.97%	232	8	0.98%
City of Hinesville	214	10	0.84%	206	9	0.86%
Total	10,065		39.67%	9,481		38.73%

Source: Liberty County Development Authority and the Georgia Department of Labor

CITY OF HINESVILLE, GEORGIA

**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY DEPARTMENT
LAST TEN FISCAL YEARS**

Department	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government	34	34	34	34	33	35	36	36	36	36
Police Department	107	104	107	108	106	110	110	110	96	96
Municipal Court	7	7	7	7	7	4	4	4	4	4
Fire Department	49	49	49	50	50	50	50	52	55	55
Inspections	14	14	14	14	14	15	14	15	14	11
Total	211	208	211	213	210	214	214	217	205	202

Source: City of Hinesville Human Resource Department

Notes:

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	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Citations issued ⁽¹⁾	11,424	12,225	10,826	10,735	8,898	10,694	12,445	9,837	12,713	12,340
DUI citations issued ⁽¹⁾	96	86	149	130	111	90	146	112	135	123
Warnings issued ⁽¹⁾	4,712	6,738	5,773	5,096	5,006	6,559	7,019	5,103	5,856	5,790
Crime Statistics: ⁽²⁾										
Aggravated assault	139	83	154	166	125	121	188	192	257	241
Auto theft	46	48	36	56	44	27	33	29	53	43
Murder	1	1	1	2	1	2	2	3	2	2
Rape	7	9	14	21	11	11	5	14	12	9
Robbery	35	25	49	33	33	23	22	27	13	25
Burglary	353	223	209	244	230	149	121	119	111	85
Theft	1,147	1,002	1,071	1,051	1,015	865	642	520	887	927
Fire ⁽³⁾										
Incident responses	3,260	3,343	3,539	3,558	2,723	2,698	2,174	2,500	2,895	3,105
Public safety education:										
Events	425	359	450	427	415	334	105	128	135	186
Persons contacted	42,058	49,817	34,123	26,628	31,233	27,899	9,763	10,740	16,817	18,153

⁽¹⁾ **Source:** Hinesville Municipal Court

⁽²⁾ **Source:** Hinesville Police Department

⁽³⁾ **Source:** Hinesville Fire Department

CITY OF HINESVILLE, GEORGIA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	90	83	83	98	101	103	86	101	107	113
Fire:										
Fire stations	2	2	2	2	2	2	2	2	2	2
Units (SUV, cars)	9	8	9	16	14	15	15	15	15	14
Dive van	2	1	1	1	-	-	-	-	-	-
Dive boat	1	1	1	1	1	1	1	-	-	-
Fire safety house	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	-
Fire trucks:										
Engine	3	3	3	3	3	3	3	3	4	4
Ladder	1	1	1	1	1	1	1	1	1	1
Tanker	1	1	1	1	1	1	1	-	-	-
Service trucks	1	1	1	1	1	1	1	-	-	-
Rescue	3	3	3	-	-	-	-	-	-	-
Public works:										
Streets owned and maintained (miles) ^(a)	0.65	1.77	1.77	1.81	1.81	1.81	1.88	1.91	1.91	2.04
Trucks	26	11	11	11	11	11	11	11	11	13
Heavy equipment	23	18	18	18	18	18	18	18	18	19
Water:										
Service trucks	7	7	7	7	7	7	7	1	7	7
Fire hydrants	1,282	1,303	1,318	1,304	1,342	1,305	1,312	1,415	1,427	1,441
Storage capacity (millions of gallons)	4.50	4.50	4.50	4.50	4.25	4.25	4.25	4.25	4.25	4.25
Wastewater:										
Treatment capacity per day (millions of gallons) #2	7.15	7.15	7.15	3.36	3.36	3.36	3.36	3.36	3.36	3.36
	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00

(Continued)

CITY OF HINESVILLE, GEORGIA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Solid Waste:										
Garbage can collection trucks	8	7	7	7	7	7	7	7	7	7
Other collection trucks ^(c)	11	8	8	6	6	6	6	6	6	6
Transit:										
Buses	9	9	9	9	9	10	10	10	10	10

Source: Various City departments.

Note: No capital asset indicators are available for the general governn

^(a) Data presented is in sq. miles.

^(b) Water storage is available in six city-owned water towers.

^(c) Other collection trucks include trucks to dispose of white goods, bulky items, and yard waste.

CITY OF HINESVILLE, GEORGIA

**CONSTRUCTION ACTIVITY
LAST TEN FISCAL YEARS**

<u>Fiscal Year Ended October 31,</u>	<u>Residential Permits Issued</u>	<u>Residential Water ERUs</u>	<u>Residential Sewer ERUs</u>	<u>Commercial Permits Issued</u>	<u>Commercial Water ERUs</u>	<u>Commercial Sewer ERUs</u>
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
2022	331	330.00	331.00	11	66.78	101.03
2023	312	312.00	312.00	8	43.11	103.81

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.

COMPLIANCE SECTION



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the 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, 2023, 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 26, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Mauldin & Jenkins, LLC

Savannah, Georgia
April 26, 2024



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

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

Report on Compliance for Each Major Federal Program

Opinion on the Major Federal Program

We have audited the City of Hinesville, Georgia's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended October 31, 2023. The City's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended October 31, 2023.

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Mauldin & Jenkins, LLC

Savannah, Georgia
April 26, 2024

CITY OF HINESVILLE, GEORGIA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2023**

Federal Grantor/Pass-through Grantor/Program Title	Federal AL Number	Grant Identification Number	Expenditures
U.S. Department of Housing and Urban Development			
Direct Programs			
2021 Continuum of Care	14.267	GA0320L4B012106	\$ 99,928
Total Continuum of Care Grants			<u>99,928</u>
CDBG Entitlement Cluster			
Community Development Block Grant - Entitlement Grant	14.218	B-17-MC-13-0013	2,368
Community Development Block Grant - Entitlement Grant	14.218	B-19-MC-13-0013	3,000
Community Development Block Grant - Entitlement Grant	14.218	B-20-MC-13-0013	3,300
Community Development Block Grant - Entitlement Grant	14.218	B-21-MW-13-0013	7,094
Community Development Block Grant - Entitlement Grant	14.218	B-22-MW-13-0013	99,928
Community Development Block Grant - Entitlement Grant	14.218	B-23-MW-13-0013	429
Total CDBG Entitlement Grants			<u>116,119</u>
Passed through Georgia Department of Community Affairs			
Emergency Solutions Grant (Homeless Prevention)	14.231	2022 22E EP 22C208	29,488
Total Emergency Solutions Grants			<u>29,488</u>
Total U.S. Department of Housing and Urban Development			<u>245,535</u>
U.S. Department of Commerce			
Passed through U.S. Economic Development Administration			
2017 EDA Business Incubator	11.300	04-79-07284	233,507
Total Economic Development Administration Grants			<u>233,507</u>
Total U.S. Department of Commerce			<u>233,507</u>
U.S. Department of Transportation			
Passed through Georgia Department of Transportation			
2023 Section 5307 Operating Assistance	20.507	T006846/GA-90-X417	209,926
2023 Section 5307 Capital Contracting Cost	20.507	T006846/GA-90-X417	287,080
2023 Section 5307 Capital Improvement Assistance	20.507	T006846/GA-90-X417	270,758
2024 Section 5307 Operating Assistance	20.507	T007056/GA-2023-007-00	86,753
Total Federal Transit Grants			<u>854,517</u>
2020 Transportation Alternative Program	20.205	00-153-93	41,068
Total Transportation Alternative Grants			<u>41,068</u>
Total U.S. Department of Transportation			<u>895,585</u>
U.S. Department of the Treasury			
Passed through Georgia Governor's Office of Planning and Budget			
ARPA - Coronavirus State and Local Fiscal Recovery Fund	21.027	N/A	3,729,000
Total ARPA Grants			<u>3,729,000</u>
Total U.S. Department of the Treasury			<u>3,729,000</u>
Total Expenditures of Federal Awards			<u>\$ 5,103,627</u>

CITY OF HINESVILLE, GEORGIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED OCTOBER 31, 2023

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Hinesville, Georgia (the "City") 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 CFR Part 200, OMB's *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 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 provided federal awards in the amount of \$39,730 to subrecipients for the Community Development Block Grants program.

NOTE 4. DE MINIMIS INDIRECT COST RATE

The City did not use the 10% de minimis indirect cost rate.

CITY OF HINESVILLE, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED OCTOBER 31, 2023

SECTION I SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:
Material weaknesses identified?

Yes No

Significant deficiencies identified not considered to be material weaknesses?

Yes None Reported

Noncompliance material to financial statements noted?

Yes No

Federal Awards

Internal control over major programs:

Material weaknesses identified?

Yes No

Significant deficiencies identified not considered to be material weaknesses?

Yes None Reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

Yes No

Identification of major programs:

AL Number

21.027

Name of Federal Program or Cluster

U.S Department of the Treasury
Coronavirus State and Local Fiscal
Recovery Fund

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

Yes No

CITY OF HINESVILLE, GEORGIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2023**

**SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES**

None reported.

**SECTION III
FEDERAL AWARDS FINDINGS AND RESPONSES**

None reported.

CITY OF HINESVILLE, GEORGIA

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2023**

STATUS OF PRIOR YEAR AUDIT FINDINGS

None reported.