HINESVILLE
GEORGIA

"Home for a Day or a Lifetime"

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED OCTOBER 31, 2014

CITY OF HINESVILLE, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

OCTOBER 31, 2014

Prepared by:
City Finance Department


HINESVILLE
GEORGIA

CITY OF HINESVILLE, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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HINESVILLE
GEORGIA

INTRODUCTORY SECTION

MAYOR
James Thomas, Jr.

CITY MANAGER
Billy Edwards

CITY CLERK
Sarah Lumpkin

CITY ATTORNEY
Linnie L. Darden, III

Finance Department
HINESVILLE
GEORGIA

MAYOR PRO TEM
Charles Frasier

COUNCIL MEMBERS
Jason Floyd
David Anderson, Sr.
Keith Jenkins
Kenneth Shaw

Kimberly Ryon, Chief Financial Officer

April 28, 2015

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

We are pleased to present the Comprehensive Annual Financial Report of the City of Hinesville, Georgia (the "City") for the fiscal year ended October 31, 2014 to Your Honorable Body, the Mayor and the citizens of Hinesville. This report consists of management's representations concerning the finances of the City of Hinesville. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operation of the various funds and account groups to the City. All disclosures necessary to enable the reader to gain a full understanding of the City's financial activities have been included.

State law requires that every local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill this requirement for the fiscal year ended October 31, 2014.

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

The City of Hinesville's primary government's financial statements have been audited by Clifton, Lipford, Hardison & Parker, LLC. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Hinesville for the fiscal year ended October 31, 2014 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent

auditors have concluded, based upon their audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Hinesville and its component unit's financial statements for the fiscal year ended October 31, 2014 are fairly presented and conform to generally accepted accounting principles in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

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

The City of Hinesville received federal financial assistance through various federal grant programs. An audit in accordance with the Single Audit Act of 1984, P.L. 98-502, and Office of Management and Budget (OMB) Circular A-133, "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, 2014. The required reports are included in the Single Audit section of this report.

Profile of the Government

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

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

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

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

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

The City provides a full range of services to its citizens, including police and fire protection; a municipal court system; curbside solid waste collection; recycling service centers; water and storm water management; as well as other general government services. Wastewater treatment is provided to the city residents by a regional sewage treatment plant located on Fort Stewart and a Water Reclamation Facility located on JV Road. Both facilities are operated by CH2M Hill. CH2M Hill provides several other services to the citizens of Hinesville to include street maintenance, utility maintenance, sanitation, and stormwater services.

Public Safety

Police

The Hinesville Police Department is dedicated to making Hinesville a secure and pleasant place to live and work. Officers are trained to enforce city ordinances and state laws within Hinesville's city limits. In 2014, the Department responded to 69,526 calls from which the officers worked the following Part I crimes: 139 aggravated assault cases, 46 cases of auto theft, 1 homicide, 7 rape cases, 35 robbery cases, 353 cases of burglary and 3 cases of arson. In addition, the department assisted other local agencies such as the sheriff's department and the Multi-Agency Crack Enforcement team. Hinesville's police officers arrested 324 juvenile offenders and 2,673 adult offenders during 2014. On the road, the patrol division and the traffic section worked 1,177 accidents, wrote 11,424 citations and gave 4,712 traffic warnings.

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

Municipal Court

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

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

Fire

The Hinesville Fire Department is an ISO (Insurance Services Office) Class 3 certified Fire Department. Our firefighters receive extensive training starting at the entry level positions. Training is continuous throughout each member's career and he must meet the department's Progressive Training Agenda requirements that establish training criteria for all positions within the Department. A firefighter that is just starting with the department that has no training would need to obtain approximately 794 hours of training in order to obtain his basic firefighter requirements.

The Hinesville Fire Department is the only full time department in Liberty County and has mutual aid agreements with all 7 county fire departments, Long County Fire Department and Fort Stewart Fire Department. This department responds to an average of 3,463 emergency incidents per year with an average response time within the City Limits of five minutes. Since 1994 the department has grown from five (5) personnel on shift with three (3) administrative staff to 14 personnel on shift with an administrative staff of seven (7).

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

Examples of some of the Public Safety Education opportunities provided by the department are the Fire Safety House, babysitting classes, CPR/1st Aid classes, station tours, smoke detector program, Juvenile Fire Setter Program, and the Hazard House. Over the past 5 years, this department has made contact with 147,665 people with 2876 events. The people contacted range from very young children to senior citizens in the community. The Fire Safety House is scheduled for each elementary school in Liberty County to ensure that the children are educated in emergency procedures during a fire in their home and also to recognize fire hazards in their home.

We house the hazardous materials trailer for the 5 county HAZMAT Team. Our department will respond to any hazardous material incidents in Liberty, Long, Bryan, Wayne and McIntosh counties. The equipment was purchased with two grants received from Georgia Emergency Management Agency (GEMA). The City's fire department provides 6 personnel to the regional Georgia Search and Rescue (GSAR) team. Each member is required to have extensive training to include rope rescue, swift water rescue, heavy machinery extrication, structural collapse, confined space and trench rescue. This training takes approximately 11 weeks for each member.

The Hinesville Fire Department conducted 1703 inspections from January 1st 2014 through December 31st 2014. The Hinesville Fire Departments Bureau of Prevention is made up of one Fire Marshal and one Deputy Fire Marshal. Both are sworn Local State Fire Marshals, and conduct fire safety inspections on each business located in the city limits of Hinesville, Georgia as well as the City Limits of Flemington, Georgia. Each business is inspected once every six months. If a violation is found, a follow-up inspection is conducted at 30, 15, and 7 day increments until the violation is corrected. A majority of businesses will correct the violation within the first 30 days.

Local Economy

The City of Hinesville continues to be a prosperous municipality. With over 900 registered businesses, the City also issues over 1,300 licenses and permits each year. For fiscal year 2014, the business license office issued 100 new licenses. Hinesville is home to Fort Stewart Military Reservation, one of the largest active military bases in the country and the largest Army installation east of the Mississippi River. Fort Stewart consists of approximately 280,000 acres, includes 5 counties and is adjacent to Hinesville's downtown area. The main gate into Fort Stewart is located within the City of Hinesville. Over 70% of military personnel residing off the installation live in Hinesville. Fort Stewart and the City of Hinesville are inextricably linked both economically and culturally. More than any other factor, Fort Stewart has shaped the economic health and image of Hinesville.

Downtown Revitalization

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

Financial Planning

Consistent with its past practices the City adopted a conservative approach in defining the 2014 budget.

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

Financial Information

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

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

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

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

Independent Audit
Georgia Code requires an annual audit by independent certified public accountants. The City selected the accounting firm of Clifton, Lipford, Hardison & Parker, LLC to complete the audit of the 2014 fiscal year and the Auditor's unmodified opinion has been included in this report.

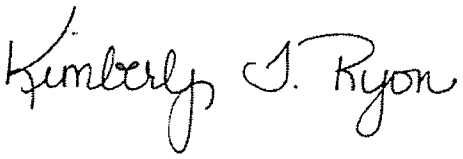
Awards and Acknowledgements:

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the years ended October 31, 2013, 2012, 2011, 2010, 2009, 2008, 2007, 2006 and 2005. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized Comprehensive Annual Financial Report. A Certificate of Achievement is valid for a period of one year only. We believe our current CAFR continues to meet the GFOA's Certificate of Achievement program requirements. The City plans to submit the CAFR to the GFOA to determine its eligibility for another award.

The City also received the GFOA *Popular Annual Financial Reporting Award* for our annual Citizens' Report for the fiscal years ended October 31, 2013, 2012, 2011, 2010, 2009, 2008, 2007 and 2006. 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 third Citizens' Report and the third year we have received this prestigious award. This award is valid for a period of only one year. We believe our current PAFR continues to meet the program requirements and we plan to submit it to the GFOA to determine its eligibility for another award.

The preparation of the Comprehensive Annual Financial Report could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. We express appreciation to all City of Hinesville officials and employees who assisted and contributed to the operations of the City fiscal year 2014 and the preparation of this report.

Respectfully submitted,



Kimberly T. Ryon
Chief Financial Officer

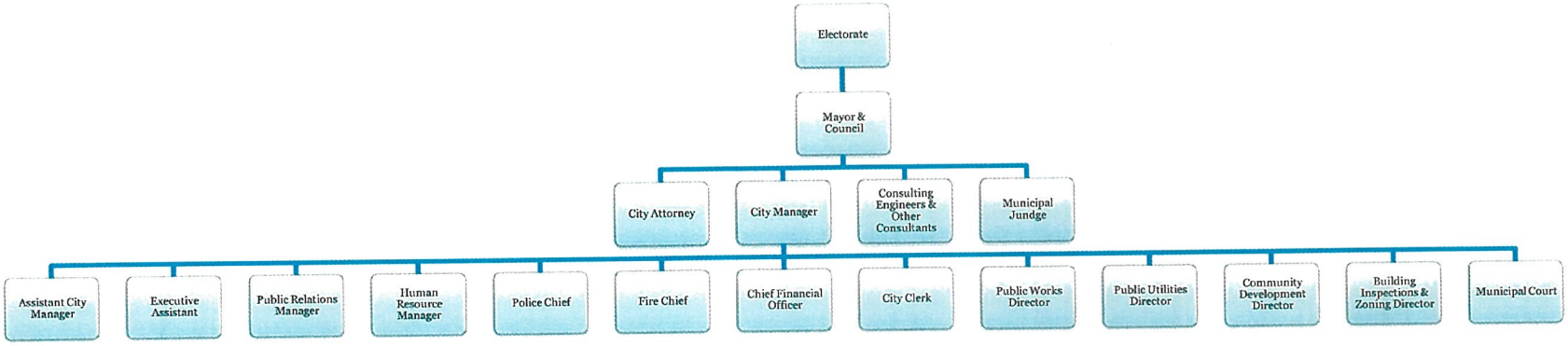
CITY OF HINESVILLE, GEORGIA

PRINCIPAL OFFICIALS

October 31, 2014

Mayor	Mr. James Thomas, Jr.
Mayor Pro Tem	Mr. Charles Frasier
Council Member	Mr. David Anderson, Sr.
Council Member	Mr. Jason Floyd
Council Member	Mr. Keith Jenkins
Council Member	Mr. Kenneth Shaw
City Manager	Mr. Billy Edwards
Assistant City Manager	Mr. Kenneth Howard
City Clerk	Mrs. Sarah Lumpkin
City Attorney	Mr. Linnie L. Darden, III
City Auditor	Clifton, Lipford Hardison & Parker, LLC
Chief Financial Officer	Mrs. Kimberly Ryon
Fire Chief	Chief Lamar Cook
Police Chief	Chief George Stagmeier
Public Utilities Manager	Mr. Robert Norby
Public Utilities Manager	Ms. Sheri Cantor
Public Utilities Manager	Mr. James Ryon
Project Manager	Mr. Guan Ellis
Director of Inspections	Mr. Steve Welborn

City of Hinesville, Georgia
Organizational Chart
October 31, 2014



HINESVILLE
GEORGIA

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Hinesville

Georgia

For its Comprehensive Annua
Financial Report
for the Fiscal Year Ended

October 31, 2013

Executive Director/CEO

FINANCIAL SECTION


HINESVILLE
GEORGIA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Hinesville, Georgia, as of and for the year ended October 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Hinesville, Georgia, as of October 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 16, the schedule of funding progress on page 64, and the schedule of employer's contributions on page 65 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Hinesville, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, the schedule of project expenditures with special sales tax proceeds, and the schedule of expenditures of federal awards, are

presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2015 on our consideration of the City of Hinesville, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.



Macon, Georgia
April 28, 2015

MANAGEMENT'S DISCUSSION & ANALYSIS

CITY OF HINESVILLE, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Hinesville (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Hinesville, Georgia for the fiscal year ended October 31, 2014. 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 $89,427,386 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 $82,581,670. This portion of net position includes property and equipment, net of accumulated depreciation, reduced by the amount of outstanding debt related to the purchase or construction of capital assets. Net investment in capital assets decreased by $1,407,829 or 1.68% in fiscal year 2014.

    2) Net position of $902,015 are restricted by constraints imposed from outside the city such as debt covenants, grantors, laws or regulations. This is a $627,352 or 41% decrease from fiscal year 2013's restricted net position.

    3) Unrestricted net position of $5,943,701 represent the portion that is available to meet the City's ongoing obligations to citizens and creditors. This is a $1,539,719 or 35% increase from fiscal year 2013 unrestricted net position of $4,403,982. This increase is largely a result of the decrease in net investment in capital assets.

- The government's total net position remained fairly level and decreased by $495,461 (less than .05%).
    - Net position related to governmental activities increased by $584,570.
    - Net position related to business-type activities decreased by $1,080,031.

- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $3,249,715 an increase of $290,493 in comparison with the prior year. The majority of the increase is a result of an increase in the fund balance of the General Fund which was a result of managing expenses.

- Approximately forty-one percent (41%) of the City's governmental funds total fund balance, or $1,367,011, 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 $1,367,011, or approximately eight (8%) of total general fund expenditures for the fiscal year.

- The City's total debt decreased by $28,161 in fiscal year 2014.
  - Debt related to governmental activities decreased by $829,805. This decrease was a result of principal payment on Build America Bonds in the amount of $829,805.
  - Debt related to business-type activities increased by a net of $801,644. This detail of the change is:
    - principal payments on Water and Sewerage Revenue Bonds in the amount of $1,215,360.
    - principal payments on 2009 GEFA debt for the Storm water Utility Fund in the amount of $94,928.
    - the drawdown of GEFA debt for the Water and Sewer Fund, in the amount of $1,396,296.
    - the drawdown of capital lease debt by the Sanitation Fund, in the amount of $262,136.
    - the drawdown of capital lease debt by the Storm water Utility Fund, in the amount of $529,250 and principal payments on that debt in the amount of $75,750.

- The City's revenues for fiscal year 2014 total $33,710,263. Of this amount, $18,759,547, or fifty-six percent (56%), was generated from program revenues. The balance of $14,950,716, or forty-four percent (44%), was generated from general revenues.

- The City's program expenses for fiscal year 2014 total $34,205,726. Of this amount, $19,983,542, or fifty-eight percent (58%), was generated from governmental activities. The balance of $14,222,184, or forty-two percent (42%), was generated from business-type activities.

Overview of the Financial Statements

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

Basic Financial Statements

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

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

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

Government-wide Financial Statements

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

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

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

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

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

Fund Financial Statements

The fund financial statements provide a more detailed look at the City's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Hinesville uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the City's budget ordinance. All of the funds of City of Hinesville can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*,

which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the City's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

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

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

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

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

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

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 37 through 63 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, 2014 and 2013.

City of Hinesville's Net Position
October 31, 2014 and 2013

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Assets:						
Assets						
Current and other assets	$ 5,327,066	$ 5,604,211	$ 5,097,672	$ 3,691,626	$ 10,424,738	$ 9,295,837
Capital assets, net	52,161,067	52,588,890	50,180,227	51,188,390	102,341,294	103,777,280
Total Assets	57,488,133	58,193,101	55,277,899	54,880,016	112,766,032	113,073,117
Total assets	57,488,133	58,193,101	55,277,899	54,880,016	112,766,032	113,073,117
Liabilities:						
Liabilities						
Long-term liabilities	7,406,493	8,150,512	13,330,268	12,525,475	20,736,761	20,675,987
Other liabilities	547,855	1,093,374	2,054,030	1,380,909	2,601,885	2,474,283
Total Liabilities	7,954,348	9,243,886	15,384,298	13,906,384	23,338,646	23,150,270
Total liabilities	7,954,348	9,243,886	15,384,298	13,906,384	23,338,646	23,150,270
Net position:						
Net investment in capital assets	45,709,098	45,307,116	36,872,572	38,682,383	82,581,670	83,989,499
Restricted	-	113,151	902,015	1,416,215	902,015	1,529,366
Unrestricted	3,824,687	3,528,948	2,119,014	875,034	5,943,701	4,403,982
Total net position	$ 49,533,785	$ 48,949,215	$ 39,893,601	$ 40,973,632	$ 89,427,386	$ 89,922,847

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 $89,427,386 and $89,922,847 at October 31, 2014 and 2013, respectively.

The largest portion of the City's net position (92%) reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Hinesville's net position, $902,015 or one percent (1%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of the City's net position, $5,943,701 or seven percent (7%), are unrestricted net position and may be used to meet the City's ongoing obligations to citizens and creditors.

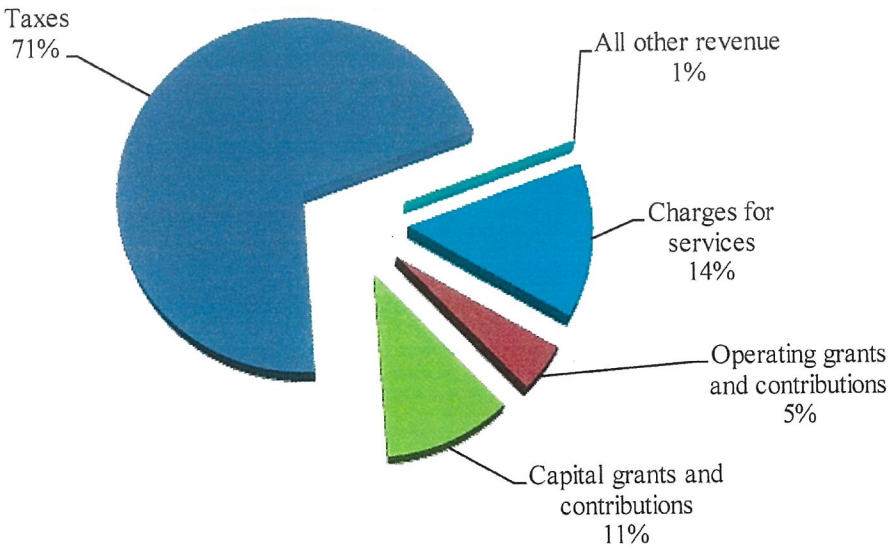
The following table indicates the change in net position for governmental and business-type activities for fiscal years 2014 and 2013:

City of Hinesville's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
Revenues:	2014	2013	2014	2013	2014	2013
Program revenues:						
Charges for services	$ 2,916,349	$ 2,750,007	$ 12,217,064	$ 12,086,334	$ 15,133,413	$ 14,836,341
Operating grants and contributions	920,415	789,032	418,520	556,466	1,338,935	1,345,498
Capital grants and contributions	2,287,199	2,035,426	-	432,300	2,287,199	2,467,726
General revenues:						-
Taxes	14,581,189	14,025,576	-	-	14,581,189	14,025,576
Intergovernmental	-	-	-	88,457	-	88,457
Federal/State Grants and other contributions not retricted	17,176	19,937	-	-	17,176	19,937
Other revenue	22,870	118,561	305,116	61,781	327,986	180,342
Gain (loss) on sale of capital assets	3,425	21,049	-	-	3,425	21,049
Unrestricted Investment earnings	14,983	11,372	5,959	6,997	20,942	18,369
Total revenues	20,763,606	19,770,960	12,946,659	13,232,335	33,710,265	33,003,295
Expenses:						
General government	2,787,319	2,579,429	-	-	2,787,319	2,579,429
Judicial	489,298	464,156	-	-	489,298	464,156
Public safety	9,927,371	9,787,757	-	-	9,927,371	9,787,757
Public works	2,581,340	2,760,779	-	-	2,581,340	2,760,779
Housing and development	2,255,583	1,573,491	-	-	2,255,583	1,573,491
Health and welfare	743,587	669,911	-	-	743,587	669,911
Culture and recreation	864,952	866,305	-	-	864,952	866,305
Interest and fiscal charges	334,092	366,568	-	-	334,092	366,568
Water and sewer	-	-	9,285,371	9,391,144	9,285,371	9,391,144
Sanitation	-	-	2,756,948	2,609,542	2,756,948	2,609,542
Stormwater utility	-	-	1,317,097	1,257,788	1,317,097	1,257,788
Transit	-	-	862,768	999,418	862,768	999,418
Total expenses	19,983,542	19,068,396	14,222,184	14,257,892	34,205,726	33,326,288
Change in net position before transfers	780,064	702,564	(1,275,525)	(1,025,557)	(495,461)	(322,993)
Transfers	(195,494)	(143,760)	195,494	143,760	-	-
Change in net position	584,570	558,804	(1,080,031)	(881,797)	(495,461)	(322,993)
Net position, beginning of year	48,949,215	48,390,411	40,973,632	41,855,429	89,922,847	90,245,840
Net position, end of year	$ 49,533,785	$ 48,949,215	$ 39,893,601	$ 40,973,632	$ 89,427,386	$ 89,922,847

Governmental activities. Governmental activities increased the City's net position by $584,570 and $558,804 as of October 31, 2014 and 2013, respectively. As illustrated in the chart below, taxes constitute the largest single revenue line item at $14,581,191 or seventy-one percent (71%) of total revenue in 2014 and $14,025,576 or seventy-one percent (71%) of total revenue in 2013. Charges for services represents fourteen percent (14%) of total revenue in 2014 and 2013 at $2,916,349 and $2,750,007, respectively. Capital grants and contributions comprise eleven percent (11%) of total revenue in 2014 at $2,287,199 and ten percent (10%) or $2,035,426 in 2013.

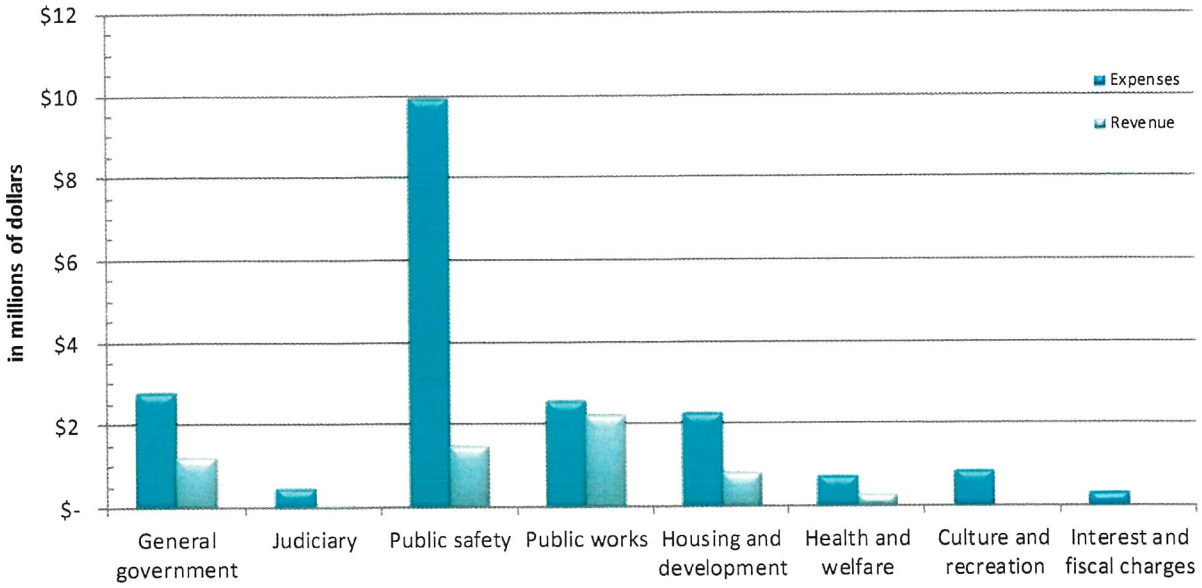
Revenues by Source - Governmental Activities



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

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

Expenses and Program Revenues - Governmental Activities



Business-type activities: Business-type activities decreased the City of Hinesville's net position by $1,080,031 and $881,797 as of October 31, 2014 and 2013, respectively. The decrease in 2014 is a result of sagging water and sewer revenues which can be at least partially attributed to a very rainy spring and summer. In addition to lower than average consumption, the City had larger than normal repair expenses for the wastewater treatment plant. We are currently working on plans to upgrade that treatment plant.

As expected in business-type activities, charges for services constitute a major portion of revenue at $12,217,064 or ninety-four (94%) and operating grants and contributions are the second largest revenue source constituting $418,520 or four percent (4%) of total revenue in 2014. In 2013, charges for services constitute a major portion of revenue at $12,086,334 or ninety (90%) and operating grants and contributions are the second largest revenue source constituting $556,466 or four percent (4%) of total revenue.

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

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

The general fund is the chief operating fund of the City of Hinesville. At the end of the current fiscal year, unassigned fund balance of the General Fund was $1,367,011, while fund balance totaled $2,753,323. 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 eight percent (8%) of total General Fund expenditures, while total fund balance represents sixteen percent (16%) of that same amount.

At October 31, 2014, the governmental funds of City of Hinesville reported a combined fund balance of $3,249,715. This is an increase of $290,493 from October 31, 2013. This small increase is a result of managing expenditures in relation to revenues.

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

At October 31, 2014, total actual revenues were less than total final budgeted revenues in the General Fund by $494,147. The table below shows the variance by revenue type:

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

	FY 2014 Budget	FY 2014 Actual	Variance - Positive/ (Negative)
Property taxes	$ 7.15	$ 7.20	$ 0.05
Sales taxes	3.80	3.50	(0.30)
Franchise taxes	1.60	1.52	(0.08)
Insurance premium taxes	1.73	1.80	0.07
Other taxes	0.40	0.43	0.03
Licenses and permits	0.59	0.64	0.05
Charges for services	1.20	1.15	(0.05)
Intergovernmental	0.27	0.26	(0.01)
Fines, forfeitures, and fees	1.16	1.00	(0.16)
Interest revenues	0.01	0.00	(0.01)
Other revenues	0.22	0.13	(0.09)
Total revenues	$ 18.13	$ 17.63	$ (0.50)

The budgeted revenue shortfall can be attributed to sales taxes (with a $325,327 shortfall) and fines, forfeitures and fees (with a $164,872 shortfall). The decline in sales tax revenue from original projections can be largely attributed to changes in state law related to sales taxes that made it difficult to project revenue in the current year.

Total actual expenditures were less than total budgeted expenditures in the General Fund by $843,091 at October 31, 2014.

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

	FY 2014 Budget	FY 2014 Actual	Variance - Positive/ (Negative)
General government	$ 2.52	$ 2.44	$ 0.08
Judicial	0.48	0.49	(0.01)
Public safety	10.23	9.67	0.56
Public works	1.62	1.52	0.10
Health and welfare	0.46	0.46	-
Culture and recreation	0.51	0.49	0.02
Housing and development	1.28	1.17	0.11
Debt service	0.11	0.11	-
Intergovernmental	0.79	0.81	(0.02)
Total expenditures	$ 18.00	$ 17.16	$ 0.84

In fiscal year 2014, there were no significant variances in budget to actual expenditures. The City's budgeted expenditures for 2014 increased less than 2% from those of fiscal year 2013.

Proprietary Funds. The City of Hinesville's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position at the end of the fiscal year amounted to $4,071,881 in the water and sewer fund, $195,109 in the sanitation fund, $0 in the transit fund and ($2,147,976) in the storm water utility fund. Other factors concerning the finances of these funds have been addressed in the discussion of the City of Hinesville's business-type activities.

Capital Asset and Debt Administration

Capital assets. The City of Hinesville's investment in capital assets for its governmental and business–type activities total $102,341,294 and $103,777,280 (net of accumulated depreciation) as of October 31, 2014 and 2013, 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	
	2014	2013	2014	2013	2014	2013
Land	$ 1.83	$ 1.83	$ 0.02	$ 0.02	$ 1.85	$ 1.85
Construction in progress	3.14	2.08	2.94	2.51	6.08	4.59
Buildings & improvements	13.31	13.65	-	-	13.31	13.65
Utility plant in service	-	-	40.33	41.54	40.33	41.54
Vehicles	0.82	0.91	-	-	0.82	0.91
Heavy equipment	0.02	0.03	-	-	0.02	0.03
Equipment	0.27	0.27	1.98	2.10	2.25	2.37
Office equipment	0.02	0.04	-	-	0.02	0.04
Infrastructure	32.75	33.78	4.91	5.02	37.66	38.80
Total	**$ 52.16**	**$ 52.59**	**$ 50.18**	**$ 51.19**	**$ 102.34**	**$ 103.78**

There were no significant changes in capital assets for Governmental Activities or Business-type Activities in 2014.

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, 2014 the City of Hinesville had total debt outstanding of $19,759,624. Of this, $10,988,141 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).

In fiscal year 2014, the City of Hinesville entered into two lease agreements for financing the acquisition of capital purchases in the Sanitation Fund ($262,136) and Storm water utility Fund ($529,250). The City also entered into a loan agreement with GEFA for upgrades to the wastewater treatment plant on Fort Stewart. The City has not made any draws on this loan as of October 31, 2014.

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

Economic Conditions Affecting the City

There are many economic factors that were considered when the City of Hinesville established its budget for fiscal year ended October 31, 2014. It is the City's practice to take a conservative approach when budgeting for estimated revenues. However, we realize we must be diligent in monitoring external factors that impact these estimates.

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

Contacting the City's Financial Management

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

BASIC FINANCIAL STATEMENTS


HINESVILLE
GEORGIA

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF HINESVILLE, GEORGIA

STATEMENT OF NET POSITION
OCTOBER 31, 2014

	Primary Government			Component Unit
	Governmental Activities	Business Type Activities	Total	Downtown Development Authority
Assets				
Cash and cash equivalents	$ 1,397,004	$ 905,368	$ 2,302,372	$ 122,756
Receivables, net	1,632,231	2,472,310	4,104,541	-
Notes receivable, net	306,149	-	306,149	-
Internal balances	166,659	(166,659)	-	-
Due from component unit	126,957	-	126,957	-
Due from other governments	1,561,727	162,624	1,724,351	-
Due from primary government	-	-	-	10,940
Prepaid items	121,357	43,012	164,369	-
Restricted assets:				
Cash and cash equivalents	14,982	1,665,813	1,680,795	3,853
Investments	-	15,204	15,204	-
Assets held for resale	-	-	-	811,978
Capital assets:				
Nondepreciable	4,971,822	2,959,251	7,931,073	10,000
Depreciable, net of accumulated depreciation	47,189,245	47,220,976	94,410,221	28,729
Total assets	57,488,133	55,277,899	112,766,032	988,256
Liabilities				
Accounts payable	286,775	1,256,370	1,543,145	11,803
Retainage payable	-	70,912	70,912	-
Accrued payroll	203,136	7,186	210,322	-
Accrued interest payable	-	6,493	6,493	-
Due to component unit	10,940	-	10,940	-
Due to primary government	-	-	-	126,957
Unearned revenue	-	13,035	13,035	-
Payable from restricted assets:				
Customer deposits	-	685,774	685,774	-
Accrued interest	40,234	14,260	54,494	-
Other liabilities	6,770	-	6,770	-
Long-term liabilities:				
Due within one year				
Notes and loans payable	844,805	823,176	1,667,981	6,111
Capital lease payable	-	152,909	152,909	-
Compensated absenses	143,179	3,169	146,348	-
Due in more than one year				
Notes and loans payable	5,607,164	11,768,843	17,376,007	17,552
Capital lease payable	-	562,727	562,727	-
Compensated absenses	811,345	19,444	830,789	-
Total liabilities	7,954,348	15,384,298	23,338,646	162,423

CITY OF HINESVILLE, GEORGIA

STATEMENT OF NET POSITION
OCTOBER 31, 2014

	Primary Government			Component Unit
	Governmental Activities	Business Type Activities	Total	Downtown Development Authority
Net Position				
Net investment in capital assets	45,709,098	36,872,572	82,581,670	15,066
Restricted for:				
Revenue bond retirement	-	902,015	902,015	-
Unrestricted	3,824,687	2,119,014	5,943,701	810,767
Total net position	$ 49,533,785	$ 39,893,601	$ 89,427,386	$ 825,833

CITY OF HINESVILLE, GEORGIA

STATEMENT OF ACTIVITIES
YEAR ENDED OCTOBER 31, 2014

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	$ 2,787,319	$ 1,105,783	$ 109,805	$ -
Judiciary	489,298	100,641	-	-
Public safety	9,927,371	1,304,429	81,000	82,669
Public works	2,581,340	17,721	-	2,204,530
Housing and development	2,255,583	387,775	426,080	-
Health and welfare	743,587	-	302,977	-
Culture and recreation	864,952	-	553	-
Interest and fiscal charges	334,092	-	-	-
Total governmental activities	19,983,542	2,916,349	920,415	2,287,199
Business-type activities:				
Water and sewer	9,285,371	8,053,183	-	-
Sanitation	2,756,948	2,837,516	-	-
Stormwater utility	1,317,097	1,313,370	-	-
Transit	862,768	12,995	418,520	-
Total business-type activities	14,222,184	12,217,064	418,520	-
Total primary government	$ 34,205,726	$ 15,133,413	$ 1,338,935	$ 2,287,199
Component unit:				
Downtown Development Authority	$ 354,319	$ 19,491	$ 698,542	$ -
Total component unit	$ 354,319	$ 19,491	$ 698,542	$ -

General revenues:

Property taxes
Sales taxes
Franchise taxes
Insurance premium taxes
Alcoholic beverage taxes
Hotel/motel taxes
Occupational taxes
Federal and state grants and other contributions not restricted to specific functions
Other revenues
Gain on sale of capital assets
Investment earnings
Transfers

Total general revenues and transfers

Change in net position

Net position - November 1

Net position - October 31

Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Business-type Activities	Total	Component Unit: Downtown Development Authority
$ (1,571,731)	$ -	$ (1,571,731)	
(388,657)	-	(388,657)	
(8,459,273)	-	(8,459,273)	
(359,089)	-	(359,089)	
(1,441,728)	-	(1,441,728)	
(440,610)	-	(440,610)	
(864,399)	-	(864,399)	
(334,092)	-	(334,092)	
(13,859,579)	-	(13,859,579)	
-	(1,232,188)	(1,232,188)	
-	80,568	80,568	
-	(3,727)	(3,727)	
-	(431,253)	(431,253)	
-	(1,586,600)	(1,586,600)	
(13,859,579)	(1,586,600)	(15,446,179)	
			363,714
			$ 363,714
7,186,584	-	7,186,584	-
3,479,310	-	3,479,310	-
1,495,060	-	1,495,060	-
1,803,525	-	1,803,525	-
381,311	-	381,311	-
183,377	-	183,377	-
52,022	-	52,022	-
17,176	-	17,176	-
22,870	305,116	327,986	15,312
3,425	-	3,425	-
14,983	5,959	20,942	-
(195,494)	195,494	-	-
14,444,149	506,569	14,950,718	15,312
584,570	(1,080,031)	(495,461)	379,026
48,949,215	40,973,632	89,922,847	446,807
$ 49,533,785	$ 39,893,601	$ 89,427,386	$ 825,833


HINESVILLE
GEORGIA

FUND FINANCIAL STATEMENTS

CITY OF HINESVILLE, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
OCTOBER 31, 2014

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	$ 1,104,714	$ 292,290	$ 1,397,004
Receivables, net	1,601,706	30,525	1,632,231
Notes receivable, net	-	306,149	306,149
Due from other governments	669,936	891,791	1,561,727
Due from other funds	3,689,149	-	3,689,149
Due from component unit	126,957	-	126,957
Prepaid items	121,357	-	121,357
Restricted assets:			
Cash and cash equivalents	14,982	-	14,982
Total assets	$ 7,328,801	$ 1,520,755	$ 8,849,556
Liabilities			
Accounts payable	$ 254,991	$ 31,784	$ 286,775
Accrued payroll & payroll taxes	203,136	-	203,136
Due to component unit	-	10,940	10,940
Due to other funds	2,540,851	981,639	3,522,490
Unearned revenue	59,891	-	59,891
Other liabilities	6,770	-	6,770
Total liabilities	3,065,639	1,024,363	4,090,002
Deferred inflow of resources			
Unavailable revenue - property taxes	1,509,839	-	1,509,839
Fund balances			
Nonspendable	121,357	-	121,357
Restricted	104,935	113,150	218,085
Assigned	1,160,020	383,242	1,543,262
Unassigned	1,367,011	-	1,367,011
Total fund balances	2,753,323	496,392	3,249,715
Total liabilities, deferred inflow of resources and fund balances	$ 7,328,801	$ 1,520,755	$ 8,849,556

CITY OF HINESVILLE, GEORGIA

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION YEAR ENDED OCTOBER 31, 2014

Amounts reported for governmental activities in the Statement of Net Position differ from amounts reported in the Balance Sheet of Governmental funds because:		
Total fund balances - total governmental funds		$ 3,249,715
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Nondepreciable capital assets	4,971,822	
Depreciable capital assets	75,482,541	
Accumulated depreciation	(28,293,296)	
Total capital assets net of depreciation		52,161,067
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.		
Property taxes	411,843	
Franchise taxes	1,097,998	
Business license fees	59,889	
Total unavailable revenue		1,569,730
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.		
Bonds payable	(6,455,000)	
Bond discount	3,031	
Compensated absences	(954,525)	
Accrued interest	(40,233)	
Total long-term liabilities		(7,446,727)
Net position of governmental activities		$ 49,533,785

CITY OF HINESVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED OCTOBER 31, 2014

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Property taxes	$ 7,205,035	$ -	$ 7,205,035
Sales taxes	3,479,310	-	3,479,310
Franchise taxes	1,522,700	-	1,522,700
Insurance premium taxes	1,803,525	-	1,803,525
Other taxes	433,333	183,377	616,710
Licenses and permits	640,027	-	640,027
Charges for services	1,153,508	-	1,153,508
Intergovernmental	262,826	2,954,033	3,216,859
Fines, forfeitures, and fees	1,001,938	-	1,001,938
Interest revenues	561	14,422	14,983
Other revenues	132,872	-	132,872
Total revenues	17,635,635	3,151,832	20,787,467
Expenditures			
Current:			
General government	2,436,995	-	2,436,995
Judicial	489,280	-	489,280
Public safety	9,670,858	32,839	9,703,697
Public works	1,523,233	-	1,523,233
Housing and development	1,171,191	524,498	1,695,689
Health and welfare	464,956	279,251	744,207
Culture and recreation	484,965	25,735	510,700
Capital outlay	-	1,146,265	1,146,265
Debt service:			
Principal	-	830,000	830,000
Interest and fiscal charges	110,805	228,265	339,070
Intergovernmental	812,418	73,351	885,769
Total expenditures	17,164,701	3,140,204	20,304,905
Excess (deficiency) of revenues over (under) expenditures	470,934	11,628	482,562
Other financing sources (uses)			
Transfers In	222,241	214,092	436,333
Transfers Out	(409,586)	(222,241)	(631,827)
Sale of capital assets	3,425	-	3,425
Total other financing sources (uses)	(183,920)	(8,149)	(192,069)
Net change in fund balances	287,014	3,479	290,493
Fund balance - November 1	2,466,309	492,913	2,959,222
Fund balance - October 31	$ 2,753,323	$ 496,392	$ 3,249,715

CITY OF HINESVILLE, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED OCTOBER 31, 2014

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ 290,493
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital assets reported as capital outlay in governmental funds	1,328,166	
Depreciation expense reported in the statement of activities	(1,667,618)	
This is the amount by which capital outlay exceed depreciation in the current period.		(339,452)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins and donations) is to increase net position.		(88,378)
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		(27,285)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued; whereas, these amounts are amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		834,979
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in compensated absences		(85,787)
Change in net position of governmental activities		$ 584,570

CITY OF HINESVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED OCTOBER 31, 2014

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance With Final Budget
Revenues				
Property taxes	$ 7,153,135	$ 7,153,135	$ 7,205,035	$ 51,900
Sales taxes	3,804,637	3,804,637	3,479,310	(325,327)
Franchise taxes	1,600,000	1,600,000	1,522,700	(77,300)
Insurance premium taxes	1,733,810	1,733,810	1,803,525	69,715
Other taxes	397,696	397,696	433,333	35,637
Licenses and permits	591,605	591,605	640,027	48,422
Charges for services	1,195,117	1,195,117	1,153,508	(41,609)
Intergovernmental	249,699	267,699	262,826	(4,873)
Fines, forfeitures, and fees	1,166,810	1,166,810	1,001,938	(164,872)
Interest revenues	1,250	1,250	561	(689)
Other revenues	215,406	218,023	132,872	(85,151)
Total revenues	18,109,165	18,129,782	17,635,635	(494,147)
Expenditures				
Current:				
General government				
Administration	2,618,800	2,518,727	2,436,995	81,732
Judicial				
Municipal Court	477,771	477,771	489,280	(11,509)
Public safety				
Police	6,991,172	6,999,172	6,524,918	474,254
Fire	3,220,164	3,230,164	3,145,940	84,224
Total public safety	10,211,336	10,229,336	9,670,858	558,478
Public works administration	119,179	119,179	121,052	(1,873)
Highways and streets	1,131,992	1,131,992	1,042,779	89,213
Vehicle maintenance	371,252	371,252	359,402	11,850
Total public works	1,622,423	1,622,423	1,523,233	99,190
Health and welfare				
Community development	455,538	458,155	464,956	(6,801)
Total health and welfare	455,538	458,155	464,956	(6,801)
Culture and recreation				
Team Hinesville	66,520	66,520	66,552	(32)
Parks and grounds	445,942	445,942	418,413	27,529
Total culture and recreation	512,462	512,462	484,965	27,497

(Continued)

CITY OF HINESVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED OCTOBER 31, 2014

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance With Final Budget
Housing and development				
Inspections	909,751	909,751	879,062	30,689
Downtown Development Authority	282,621	282,621	184,318	98,303
Economic development	91,320	91,320	107,811	(16,491)
Total housing and development	1,283,692	1,283,692	1,171,191	112,501
Debt service				
Interest and fiscal charges	111,346	111,346	110,805	541
Total debt service	111,346	111,346	110,805	541
Intergovernmental				
Live Oak Public Libraries	326,000	326,000	326,000	-
Liberty Consolidated Planning Commission	342,807	467,880	486,418	(18,538)
Total Intergovernmental	668,807	793,880	812,418	(18,538)
Total expenditures	17,962,175	18,007,792	17,164,701	843,091
Excess (deficiency) of revenues over (under) expenditures	146,990	121,990	470,934	348,944
Other financing sources (uses)				
Transfers In	178,280	178,280	222,241	43,961
Transfers Out	(303,770)	(303,770)	(409,586)	(105,816)
Sale of capital assets	3,500	3,500	3,425	(75)
Total other financing sources (uses)	(121,990)	(121,990)	(183,920)	(61,930)
Net change in fund balances	25,000	-	287,014	287,014
Fund balance - November 1	2,466,309	2,466,309	2,466,309	-
Fund balance - October 31	$ 2,491,309	$ 2,466,309	$ 2,753,323	$ 287,014

CITY OF HINESVILLE, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
OCTOBER 31, 2014

	Water and Sewer Fund	Sanitation Fund	Stormwater Utility Fund
Assets			
Current assets			
Cash and cash equivalents	$ 873,388	$ -	$ -
Receivables, net	2,472,310	-	-
Due from other governments	-	-	-
Due from other funds	2,540,851	253,018	-
Prepaid items	43,012	-	-
Restricted assets:			
Cash and cash equivalents	1,200,009	-	465,804
Investments	15,204	-	-
Total current assets	7,144,774	253,018	465,804
Noncurrent assets			
Capital assets, nondepreciable	2,894,974	-	11,737
Capital assets, net of accumulated depreciation	40,886,505	512,804	5,561,547
Total noncurrent assets	43,781,479	512,804	5,573,284
Total assets	50,926,253	765,822	6,039,088
Liabilities			
Current liabilities			
Accounts payable	1,117,914	57,109	30,300
Accrued expenses	6,385	-	-
Accrued interest payable	-	801	6,493
Due to other funds	253,018	-	2,576,987
Payable from restricted assets:			
Customer deposits	685,774	-	-
Accrued interest	14,260	-	-
Current portion of notes payable	-	-	97,816
Current portion of revenue bonds payable	725,360	-	-
Current portion of compensated absences	3,169	-	-
Total current liabilities	2,876,792	107,869	2,814,546
Noncurrent liabilities			
Notes payable, long-term portion	1,396,296	-	2,326,424
Bonds payable, long term portion	8,046,123	-	-
Compensated absences	19,444	-	-
Total noncurrent liabilities	9,461,863	212,177	2,676,974
Total liabilities	12,338,655	320,046	5,491,520
Net Position			
Net investment in capital assets	33,613,702	250,667	2,695,544
Restricted for:			
Revenue bond retirement	902,015	-	-
Unrestricted	4,071,881	195,109	(2,147,976)
Total net position	$ 38,587,598	$ 445,776	$ 547,568

Non-major Transit Fund	Total Business Type Activities
$ 31,980	$ 905,368
-	2,472,310
162,624	162,624
-	2,793,869
-	43,012
-	1,665,813
-	15,204
194,604	8,058,200
52,540	2,959,251
260,120	47,220,976
312,660	50,180,227
507,264	58,238,427
51,047	1,256,370
-	6,385
-	7,294
130,523	2,960,528
-	685,774
-	14,260
-	97,816
-	725,360
-	3,169
194,605	5,993,812
-	3,722,720
-	8,046,123
-	19,444
-	12,351,014
194,605	18,344,826
312,659	36,872,572
-	902,015
-	2,119,014
$ 312,659	$ 39,893,601

CITY OF HINESVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS YEAR ENDED OCTOBER 31, 2014

	Water and Sewer Fund	Sanitation Fund	Stormwater Utility Fund
Operating revenues			
Water fees	$ 3,365,541	$ -	$ -
Sewer fees	3,014,656	-	-
Fort Stewart sewer fees	694,217	-	-
Water and sewer impact fees	525,179	-	-
Sanitation fees	-	2,837,516	-
Stormwater utility fees	-	-	1,313,370
Transit fees	-	-	-
Intergovernmental	-	-	-
Other revenues	760,958	-	-
Total operating revenues	8,360,551	2,837,516	1,313,370
Operating expenses			
Salaries	308,321	-	-
Employee benefits	79,117	-	-
Vehicle operating expenses	105,660	255,130	101,857
Office supplies and postage	81,715	9	5
General insurance	86,448	-	-
Professional fees	86,114	-	28,772
Computer services	23,160	462	462
Equipment rental and repairs	9,037	448	448
Schools and training	4,480	-	-
Operating supplies	490,901	36,878	463
Utilities	835,838	18,446	17,094
Operations contracted services	2,646,533	1,575,344	758,905
Repairs and materials	1,594,563	4,152	8,956
Depreciation	2,274,261	67,432	223,104
Administrative fees	391,964	198,626	92,034
Drinking water program	12,200	-	-
Miscellaneous	30,783	2,252	-
Disposal	-	500,011	-
Marketing	-	-	-
Total operating expenses	9,061,095	2,758,399	1,232,100
Operating income (loss)	(700,544)	79,117	81,270

(Continued)

Non-major Transit Fund	Total Business Type Activities
$ -	$ 3,365,541
-	3,014,656
-	694,217
-	525,179
-	2,837,516
-	1,313,370
12,995	12,995
418,520	418,520
-	760,958
431,515	12,942,952
5,295	313,616
-	79,117
51,824	514,471
-	81,729
-	86,448
49,494	164,380
-	24,084
-	9,933
-	4,480
8,066	536,308
-	871,378
506,435	5,487,217
-	1,607,671
235,750	2,800,547
529	683,153
-	12,200
621	33,656
-	500,011
4,756	4,756
862,770	13,914,364
(431,255)	(971,412)

CITY OF HINESVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED OCTOBER 31, 2014

	Water and Sewer Fund	Sanitation Fund	Stormwater Utility Fund
Nonoperating revenues (expenses)			
Investment income	4,554	-	1,395
Interest and fiscal charges	(224,275)	(801)	(84,996)
Total nonoperating revenue (expense)	(219,721)	(801)	(83,601)
Income (loss) before transfers and contributions	(920,265)	78,316	(2,331)
Transfers in	-	-	-
Total transfers and contributions	-	-	-
Change in net position	(920,265)	78,316	(2,331)
Total net position - November 1	39,507,863	367,460	549,899
Total net position - October 31	$ 38,587,598	$ 445,776	$ 547,568

Non-major Transit Fund	Total Business Type Activities
10	5,959
-	(310,072)
10	(304,113)
(431,245)	(1,275,525)
195,494	195,494
195,494	195,494
(235,751)	(1,080,031)
548,410	40,973,632
$ 312,659	$ 39,893,601

CITY OF HINESVILLE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED OCTOBER 31, 2014

	Water and Sewer Fund	Sanitation Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers and users	$ 7,896,767	$ 2,837,516
Cash paid to suppliers for goods and services	(5,147,872)	(2,829,371)
Cash paid to employees for services	(384,289)	-
Net cash provided (used) by operating activities	2,364,606	8,145
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Due from other funds	40,154	(10,396)
Due to other funds	9,396	-
Transfer from other funds	-	-
Net cash provided (used) by noncapital financing activities	49,550	(10,396)
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES		
Proceeds from long-term borrowings	1,396,296	262,136
Proceeds from non-operating capital grants	-	-
Principal payments on long-term borrowings	(1,215,360)	-
Interest payments on long-term borrowings	(226,264)	-
Capital and related financing activities - inflows	-	-
Purchase of capital assets	(559,378)	(259,885)
Acquistion and construction of capital assets	(944,161)	-
Capital and related financing activities - outflows	-	-
Net cash provided (used) by capital and related financing activities	(1,548,867)	2,251
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from investments	7,802	-
Interest on investments	4,554	-
Net cash provided (used) by investing activities	12,356	-
Net increase (decrease) in cash and cash equivalents	877,645	-
Cash and cash equivalents/investments, November 1	1,195,752	-
Cash and cash equivalents/investments, October 31	$ 2,073,397	$ -
CLASSIFIED AS:		
Cash and cash equivalents	$ 873,388	$ -
Restricted assets:		
Cash and cash equivalents	1,200,009	-
Cash and cash equivalents, October 31	$ 2,073,397	$ -

(Continued)

Stormwater Utility Fund	Non-major Transit Fund	Total Business Type Activities
$ 1,313,370	$ 863,217	$ 12,910,870
(1,152,910)	(618,804)	(9,748,957)
-	(5,295)	(389,584)
160,460	239,118	2,772,329
1,000	-	30,758
(435,316)	(422,219)	(848,139)
-	195,492	195,492
(434,316)	(226,727)	(621,889)
529,250	-	2,187,682
-	-	-
(170,678)	-	(1,386,038)
(84,715)	-	(310,979)
-	-	-
-	-	(819,263)
-	-	(944,161)
-	-	-
273,857	-	(1,272,759)
-	-	7,802
1,395	10	5,959
1,395	10	13,761
1,396	12,401	891,442
464,408	19,579	1,679,739
$ 465,804	$ 31,980	$ 2,571,181
$ -	$ 31,980	$ 905,368
465,804	-	1,665,813
$ 465,804	$ 31,980	$ 2,571,181

CITY OF HINESVILLE, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED OCTOBER 31, 2014

	Water and Sewer Fund	Sanitation Fund
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities		
Operating income (loss)	$ (700,544)	$ 79,117
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	2,274,261	67,432
Change in assets and liabilities		
(Increase) decrease in accounts receivable	(516,121)	-
(Increase) decrease in due from other governments	-	-
(Increase) decrease in prepaid expenses	464	-
Increase (decrease) in accounts payable	870,268	(138,404)
Increase (decrease) in customer depostis payable	52,337	-
Increase (decrease) in accrued expenses	(11,172)	-
Increase (decrease) in compensated absences	3,149	-
Increase (decrease) in due to other funds	391,964	-
Total adjustments	3,065,150	(70,972)
Net cash provided by (used in) operating activities	$ 2,364,606	$ 8,145

Stormwater Utility Fund	Non-major Transit Fund	Total Business Type Activities
$ 81,270	$ (431,253)	$ (971,410)
223,104	235,750	2,800,547
-	-	(516,121)
-	418,667	418,667
-	-	464
(143,914)	2,919	590,869
-	-	52,337
-	-	(11,172)
-	-	3,149
-	-	391,964
79,190	670,371	3,743,739
$ 160,460	$ 239,118	$ 2,772,329


HINESVILLE
GEORGIA

NOTES TO THE FINANCIAL STATEMENTS


HINESVILLE
GEORGIA

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

B. Basis of Presentation

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

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

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

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

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

The City reports the following major governmental 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.

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

The City reports the following major enterprise funds:

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

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

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

Additionally, the City reports the following fund types:

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

C. Basis of Accounting and Measurement Focus

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

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

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

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

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of year end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

D. Budgetary Data

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

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

E. Cash and Investments

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

State statutes authorize the City to invest in obligations of the U. S. Government and agencies of corporations of the U.S. Government; obligations of any state; obligations of any political subdivision of any state; certificates of deposit or time deposits of any national state bank or savings and loan which have deposits insured by the FDIC or FSLIC; prime bankers acceptances; repurchase agreements; and the Local Government Investment Pool of the State of Georgia (Georgia Fund 1). Georgia Fund 1, created under OCGA 36-83-8, is a stable net position value investment pool, which follows Standard and Poor's criteria for AAAm rated money market funds and is regulated by the Georgia Office of Treasury and Fiscal Services. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are the safety of capital, investment income, liquidity and diversification while maintaining principal ($1 per share value). Net position value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on $1 per share.

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

F. Prepaid Items

Prepaid balances are for payments made by the City in the current year to provide services occurring in the subsequent fiscal year. The City had prepaid insurance in the amount of $164,369 as of October 31, 2014.

G. Short-Term Interfund Receivables/Payables

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

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

H. Capital Assets

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

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

Major outlays for capital assets and major improvements are capitalized as projects are constructed. Interest incurred during the construction period of capital assets of the business-type activities is included as part of the capitalized value of the assets constructed. The amount of interest capitalized is calculated by offsetting interest expense incurred (from the date of borrowing until the date of completion of the project) with interest earned on investment proceeds over the same period. During the fiscal year ended October 31, 2014, the City capitalized interest in the amount of $0.

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

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

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

I. Long-Term Obligations

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

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

J. Compensated Absences

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

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources,* represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has no deferred outflows of resources as of October 31, 2014.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents and acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

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

L. 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.

M. Fund Balance and Flow Assumptions

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

- Nonspendable – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted – amounts are restricted when constraints have been placed on the use of resources by (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council. The City Council approves committed resources through a motion and vote during the voting session of City Council meetings.
- Assigned – amounts that are constrained by the City Council's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution the City Council has authorized the City Manager to assign fund balance.
- Unassigned – amounts that have not been assigned to other funds, and that are not restricted, committed, or assigned to specific purposes within the General Fund.

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

- Committed
- Assigned
- Unassigned

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

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

The following is a summary of the fund balance classifications as of October 31, 2014:

	General Fund	Non-major Governmental Funds	Total Governmental Funds
Fund Balance:			
Nonspendable			
Prepaids	$ 121,357	$ -	$ 121,357
Restricted			
Capital Outlay	-	113,150	113,150
Public Safety	104,935	-	104,935
Assigned			
Debt service	1,160,020	-	1,160,020
Community development	-	383,242	383,242
Unassigned	1,367,011	-	1,367,011
	$ 2,753,323	$ 496,392	$ 3,249,715

N. Estimates

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

NOTE 2. LEGAL COMPLIANCE - BUDGETS

A. Budgetary Information

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

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

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

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

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

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

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

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

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

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

B. Excess of Expenditures over Appropriations

The following general fund functions had excesses of actual expenditures over appropriations in the amount shown for the fiscal year ended October 31, 2014.

General Fund:

Current:

Municipal Court	$ 11,509
Public works administration	$ 1,873
Community development	$ 6,801
Team Hinesville	$ 32
Economic development	$ 16,491
Liberty Consolidated Planning Commission	$ 18,538
Transfers out	$ 105,816

These over expenditures were funded by savings from other departments.

NOTE 3. DEPOSITS AND INVESTMENTS

Total deposits and investments as of October 31, 2014, are summarized as follows:

As reported in the Statement of Net Position:

Primary government:	
Cash and cash equivalents	$ 2,302,372
Restricted assets - cash and cash equivalents	1,680,795
Restricted assets - Investments	15,204
	$ 3,998,371
Cash deposited with financial institutions	$ 3,983,167
Investments in US Government Securities	15,204
	$ 3,998,371
Component unit:	
Cash and cash equivalents	$ 122,756
Restricted assets - cash and cash equivalents	3,853
	$ 126,609
Cash deposited with financial institutions	$ 126,609

NOTE 3. DEPOSITS AND INVESTMENTS (*continued*)

Credit risk. State statues authorize the City to invest in obligations of the U.S. government and agencies of corporations of the U.S. Government; obligations of any state; obligations of any political subdivision of any state; certificates of deposit or time deposits of any national state bank or savings and loan which have deposits insured by the FDIC or FSLIC; prime bankers' acceptances; repurchase agreements; and the Local Government Investment Pool of the State of Georgia (Georgia Fund 1). The City has no investment policy that would further limit its investment choices. As of October 31, 2014, the U.S. Government Securities were rated AAA by Moody's and the City's investment in Georgia Fund 1 was rated AAAm by Standard and Poor's.

At October 31, 2014 the City had the following investments:

Investment	Maturities	Fair Value
U.S. Government Securities	May 2033	$ 1,804
U.S. Government Securities	June 2035	12,176
U.S. Government Securities	February 2038	1,224
Total		$ 15,204

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, 2014, the City did not have any investments exposed to this risk as all investments are in the name of the City. As of October 31, 2014, the City did not have any deposits which were uninsured and under collateralized as defined by GASB pronouncements.

Custodial credit risk – investments. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, a government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties or municipalities. The City does not have a formal policy for custodial risk. As of October 31, 2014, the City did not have any investments exposed to this risk as all investments are in the name of the City.

NOTE 4. RECEIVABLES – ALLOWANCE FOR DOUBTFUL ACCOUNTS

The Liberty County Tax Commissioner bills and collects the City's property taxes and remits collections on a weekly basis to the City. Property taxes levied for the year ending October 31, 2014 are recorded as receivables, net of estimated uncollectible.

Real and personal property taxes were levied in November 2013. The taxes are based on the January 1, 2013 assessed values and are due on February 20, 2014 after which date liens can be attached. The net receivables collected during the year ended October 31, 2014 and expected to be collected by December 31, 2014, are recognized as revenues in the year ended October 31, 2014. Net receivables estimated to be collectible subsequent to December 31, 2014 are recorded as revenue when received. Prior year levies were recorded using substantially the same principles, and remaining receivables are reevaluated annually.

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

	General	Nonmajor Governmental	Water and Sewer	Total
Receivables:				
Taxes	$1,627,026	$ 30,525	$ -	$1,657,551
Accounts	76,487	-	3,057,682	3,134,169
Gross receivables	1,703,513	30,525	3,057,682	4,791,720
Less allowance for uncollectible accounts	(101,807)	-	(585,372)	(687,179)
Net total receivables	$1,601,706	$ 30,525	$2,472,310	$4,104,541

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, 2014, the outstanding balance of these notes receivable, net of an allowance of $238,028, was $306,149.

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended October 31, 2014, was as follows:

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Governmental Activities					
Capital assets not being depreciated:					
Land and improvements	$ 1,831,567	$ -	$ -	$ -	$ 1,831,567
Construction in progress	2,082,363	1,146,264	(88,372)	-	3,140,255
Total capital assets not being depreciated	3,913,930	1,146,264	(88,372)	-	4,971,822
Capital assets being depreciated					
Buildings and improvements	15,633,805	-	-	-	15,633,805
Vehicles	4,806,209	128,731	(155,919)	-	4,779,021
Heavy equipment	619,065	-	-	-	619,065
Equipment	752,307	53,172	-	-	805,479
Office equipment	296,823	-	-	-	296,823
Infrastructure	53,348,349	-	-	-	53,348,349
Total capital assets being depreciated	75,456,558	181,903	(155,919)	-	75,482,542
Less accumulated depreciation for:					
Buildings and improvements	(1,975,846)	(340,856)	-	-	(2,316,702)
Vehicles	(3,898,431)	(219,776)	155,919	-	(3,962,288)
Heavy equipment	(593,321)	(9,767)	-	-	(603,088)
Equipment	(484,312)	(53,057)	-	-	(537,369)
Office equipment	(261,439)	(13,820)	-	-	(275,259)
Infrastructure	(19,568,249)	(1,030,342)	-	-	(20,598,591)
Total accumulated depreciation	(26,781,598)	(1,667,618)	155,919	-	(28,293,297)
Total capital assets being depreciated, net	48,674,960	(1,485,715)	-	-	47,189,245
Governmental activity capital assets, net	$ 52,588,890	$ (339,451)	$ (88,372)	$ -	52,161,067
Less related long-term debt outstanding					(6,451,969)
Net investment in capital assets					$ 45,709,098

NOTE 5. CAPITAL ASSETS (*continued*)

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Business-type activities					
Capital assets not being depreciated:					
Construction in progress	$ 2,506,521	$ 973,120	$ -	$ (544,300)	$ 2,935,341
Land (Right of way)	23,910		-	-	23,910
Total capital assets not being depreciated	2,530,431	973,120	-	(544,300)	2,959,251
Capital assets being depreciated					
Utility plant in service	78,898,214	463,336	-	512,084	79,873,634
Other equipment	7,668,494	358,176	(314,310)	32,216	7,744,576
Infrastructure	5,170,681	-		-	5,170,681
Total capital assets being depreciated	91,737,389	821,512	(314,310)	544,300	92,788,891
Less accumulated depreciation for:					
Utility plant in service	(37,362,841)	(2,175,285)	-	-	(39,538,126)
Other equipment	(5,568,844)	(505,398)	312,062	-	(5,762,180)
Infrastructure	(147,745)	(119,864)			(267,609)
Total accumulated depreciation	(43,079,430)	(2,800,547)	312,062	-	(45,567,915)
Total capital assets being depreciated, net	48,657,959	(1,979,035)	(2,248)	544,300	47,220,976
Business-type activity capital assets, net	$ 51,188,390	$ (1,005,915)	$ (2,248)	$ -	50,180,227
Less related long-term debt outstanding					(13,307,655)
Net investment in capital assets					$ 36,872,572

NOTE 5. CAPITAL ASSETS (*continued*)

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

Governmental Activities:	
General government	$ 260,902
Public Safety	311,637
Public works	1,063,956
Culture and recreation	28,252
Housing and development	2,451
Municipal Court	420
Total depreciation expense - Governmental activities	$1,667,618
Business-type activities:	
Water and sewer	$2,274,261
Sanitation	67,432
Stormwater utility	223,104
Transit	235,750
Total depreciation expense - Business-type activities	$2,800,547

NOTE 6. CHANGES IN LONG-TERM LIABILITIES

The following schedule details the City's long-term liability activity for the year ended October 31, 2014:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Build America bonds	$ 7,285,000	$ -	$ (830,000)	$ 6,455,000	$ 845,000
Unamortized discount	(3,226)	-	195	(3,031)	(195)
Total revenue bonds	7,281,774	-	(829,805)	6,451,969	844,805
Other long term liabilities					
Compensated absences	868,738	1,054,920	(969,133)	954,525	143,179
Total governmental activities	$ 8,150,512	$ 1,054,920	$ (1,798,938)	$ 7,406,494	$ 987,984
Business-type activities:					
Revenue bonds	$ 9,885,000	$ -	$ (1,210,000)	$ 8,675,000	$ 720,000
Unamortized premium	101,843	-	(5,360)	96,483	5,360
GEFA loans payable	2,519,168	1,396,296	(94,928)	3,820,536	97,816
Capital lease payable	-	791,386	(75,750)	715,636	152,909
Total bonds, loans and notes payable	12,506,011	2,187,682	(1,386,038)	13,307,655	976,085
Other long-term liabilities					
Compensated absences	19,843	37,004	(35,723)	22,613	3,169
Total business-type activities	$ 12,525,854	$ 2,224,686	$ (1,421,761)	$ 13,330,268	$ 979,254

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

NOTE 7. LONG-TERM DEBT

Build America Bonds

In fiscal year 2010, the Liberty County Public Facilities Authority issued on behalf of the City of Hinesville $9,510,000 Revenue Bonds (Taxable Build America Bonds), Series 2010 for the purpose of constructing a new city hall and public works facilities. The payments are due February 1 and August 1 each year with interest rates varying from 1.350% to 6.10% annually. The debt is expected to be repaid using special purpose local option sales tax and general fund revenues.

Debt service requirements to maturity are as follows:

Fiscal Year Ending October 31,	Principal	Interest	Total
2015	$ 845,000	$ 315,020	$ 1,160,020
2016	360,000	296,315	656,315
2017	205,000	286,288	491,288
2018	210,000	277,775	487,775
2019	215,000	268,423	483,423
2020-2024	1,170,000	1,177,860	2,347,860
2025-2029	1,400,000	831,260	2,231,260
2030-2034	1,675,000	377,355	2,052,355
2035	375,000	11,438	386,438
Totals	$ 6,455,000	$ 3,841,734	$10,296,734

Revenue Bonds

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

Revenue bonds outstanding at October 31, 2014 are as follows:

Purpose	Original Amount	Interest Rate	Due Date	Amount
Water & Sewer Fund Improvements	$ 11,060,000	2.00% - 3.00%	2026	$ 8,675,000
Total Revenue Bonds Payable				8,675,000
Less current portion				(720,000)
Long-term portion of revenue bonds				$ 7,955,000

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

Revenue bond debt service requirements to maturities, including interest, are as follows:

Fiscal Year Ending October 31,	Principal	Interest	Total
2015	$ 720,000	$ 182,015	$ 902,015
2016	735,000	167,615	902,615
2017	755,000	148,915	903,915
2018	775,000	131,565	906,565
2019	790,000	112,065	902,065
2020-2024	3,810,000	353,053	4,163,053
2025-2026	1,090,000	34,100	1,124,100
Totals	$ 8,675,000	$ 1,129,328	$ 9,804,328

Georgia Environmental Facilities Authority Loans

During the year ended October 31, 2010, the City's Stormwater Utility Fund entered into a loan agreement up to $2,583,965 with GEFA for specific storm water projects. This loan is due in 240 monthly installments of $14,100 including interest at 3.00% through July 2033.

During the year ended October 31, 2013, the City's Water & Sewer Fund entered into a loan agreement up to $1,822,843 with GEFA for relocating water and sewer utilities on Veterans Parkway and for a new generator at the wastewater treatment plant on Ft. Stewart. As of October 31, 2014, the City has drawn $1,396,296 on this loan. The City still has the option to draw down $426,547.

During the year ended October 31, 2014, the City's Water & Sewer Fund entered into a loan agreement up to $10,000,000 with GEFA for upgrades to the wastewater treatment plant on Ft. Stewart. As of October 31, 2014, the City had not made any draws on this loan. The City still has the option to draw down $10,000,000.

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

Georgia Environmental Facilities Authority Loans (*continued*)

GEFA loans outstanding at October 31, 2014 are as follows:

Purpose	Original Amount	Interest Rate	Due Date	Amount
Water & Sewer Fund Improvements	$ 1,822,843	In construction status		$ 1,396,296
Water & Sewer Fund Improvements	10,000,000	In construction status		-
Stormwater projects	2,542,459	3.00%	2033	2,424,241
Total GEFA loans payable				3,820,537
Less GEFA loans payable in construction status				(1,396,296)
Long-term portion in repayment status				2,424,241
Less current portion				(97,816)
Long-term portion of GEFA Loans				$ 2,326,425

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

Fiscal Year Ending October 31,	Principal	Interest	Total
2015	$ 97,816	$ 71,390	$ 169,206
2016	100,791	68,414	169,205
2017	103,856	65,349	169,205
2018	107,015	62,190	169,205
2019	110,270	58,935	169,205
2020-2024	603,748	242,277	846,025
2025-2029	701,325	144,702	846,027
2030-2033	599,420	35,099	634,519
Total	$ 2,424,241	$ 748,356	$ 3,172,597

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

Capital Lease

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

The following is an analysis of the asset recorded under capital leases at October 31, 2014:

Class of Property	Cost	Accumulated Depreciation	Net Book Value
Equipment	$ 262,136	$ (13,106)	$ 249,030

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

The following is an analysis of the asset recorded under capital leases at October 31, 2014:

Class of Property	Cost	Accumulated Depreciation	Net Book Value
Equipment	$ 529,250	$ (49,008)	$ 480,242

The future minimum lease obligations and the net present value of these minimum lease payments as of October 31, 2014 are as follows:

Fiscal Year Ending October 31,	Principal	Interest	Total
2015	$ 152,909	$ 14,910	$ 167,819
2016	156,387	4,615	161,002
2017	159,944	3,381	163,325
2018	163,583	2,117	165,700
2019	82,813	823	83,636
Total	$ 715,636	$ 25,846	$ 741,482

NOTE 8. INTERFUND BALANCES AND TRANSFERS

Interfund receivable and payable balances as of October 31, 2014 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental	$ 981,639
General Fund	Stormwater Utility Fund	2,576,987
General Fund	Nonmajor Proprietary	130,523
Water and Sewer Fund	General Fund	2,540,851
Sanitation Fund	Water and Sewer Fund	253,018
		$ 6,483,018

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

Interfund transfers for the year ended October 31, 2014 consisted of the following:

Transfer In	Transfer Out	Purpose	Amount
General Fund	Nonmajor Governmental	Distribution of tax revenue	$ 110,026
General Fund	Nonmajor Governmental	Program administration	112,215
Nonmajor Governmental	General Fund	Grant program assistance	214,092
Nonmajor Proprietary	General Fund	Local match	195,494
Total interfund transfers			$ 631,827

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

NOTE 9. PENSION PLAN

A. Plan Description

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

B. Funding Policy

The City's policy is to contribute the actuarially determined amount as recommended by GMEBS. The Board of Trustees of GMEBS has adopted an actuarial funding policy for determination of annual contributions and the systematic funding of liabilities arising under the plan. The annual recommended contribution is the sum of 1) the normal cost, 2) the level dollar amortization of the unfunded actuarial accrued liability (initial unfunded actuarial accrued liability over 30 years from 1981 and changes in the unfunded actuarial accrued liability over 15 years for actuarial gains and losses, 20 years for plan provisions, and 30 years for actuarial assumptions and cost methods from the end of the year during which such changes arise), and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly).

The recommended contributions under this policy for 2014 and 2013 are shown below.

	2014	2013
Normal Cost		
Plan Benefits	$ 437,373	$ 482,516
Administrative Expenses	25,789	24,765
Payment on unfunded (surplus) actuarial accrued liability	398,583	381,607
Adjustment to fiscal year	55,305	57,040
Recommended Contribution	917,050	945,935
Covered Payroll	8,114,256	8,462,032
Recommended Contribution as a percentage of covered payroll	10.98%	10.86%

The recommended contributions meet the estimated minimum annual contribution under Public Retirement Systems Standards Law (Georgia Code Section 47-20-10).

NOTE 9. PENSION PLAN *(continued)*

C. Annual Pension Cost

For the fiscal year ended October 31, 2014, the City's annual pension cost was $945,935. Recommended contributions of $917,050 and $945,935 were determined as part of the January 1, 2014 and 2013 actuarial valuations, respectively, using the projected unit credit actuarial cost method and the asset valuation method for developing the actuarial value of assets. The actuarial value of assets is determined by rolling forward the prior year's actuarial value with contributions, disbursements, and expected return on investments, plus 10% of investment gains (losses) during the prior 10 years. The actuarial assumptions include (a) 7.75% investment rate of return and (b) projected salary increases for inflation of 3.5% per year and for merit of seniority of .5% per year. The period, and related method, for amortizing the initial unfunded actuarial accrued liability is 30 years from 1981 and current changes in the unfunded actuarial accrued liability over 15 years for actuarial gains and losses, 20 years for plan provisions, and 30 years for actuarial assumptions and cost methods as a level dollar amount. These amortization periods, if applicable, are closed for this plan year.

D. Trend information

Trend information, which gives an indication of the progress made in accumulating sufficient assets to pay benefits when due, is presented below.

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
10/31/2012	881,102	100	0
10/31/2013	918,393	100	0
10/31/2014	945,935	100	0

E. Funded Status and Funding Progress

As of January 1, 2014, the most recent actuarial valuation date, the plan was 83.04 percent funded. The actuarial accrued liability for benefits was $16.559 million, and the actuarial value of assets was $13.751 million. The covered payroll (annual payroll of active employees covered by the plan) was $8.114 million, and the ratio of the UAAL to the covered payroll was 34.60 percent. The unfunded actuarial accrued liability was $2,807,802 which has increased from the prior year.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTE 10. RELATED ORGANIZATIONS

The City's governing council is responsible for all of the board appointments of the Hinesville Housing Authority. However, the City has no further accountability for this organization. For the year ending October 31, 2014, the City did not provide any contributions to the Hinesville Housing Authority.

NOTE 11. JOINT VENTURES

Under Georgia Law, the City, in conjunction with other cities and counties in the nine county coastal Georgia region, is a member of the Coastal Georgia Regional Commission and is required to pay annual dues thereto. During its year ended October 31, 2014 the City paid $33,437 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the Regional Commission in Georgia. The Coastal Georgia Regional Commission Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a Regional Commission. Separate financial statements may be obtained from the Coastal Georgia Regional Commission, 1181 Coastal Drive SW, Darien, Georgia 31305.

NOTE 12. HOTEL/MOTEL LODGING TAX

The government has levied a 5% lodging tax. Forty percent of the tax received is paid to the Liberty County Convention and Visitor's Bureau (CVB). A summary of the transactions for the year ending October 31, 2014 follows:

Total lodging tax receipts	$ 183,377
40% of tax receipted owed to the Liberty County Convention & Visitors Bureau for October 31, 2014	73,351
Tax receipts owed at October 31, 2013	15,425
Disbursements to the Liberty County Convention & Visitors Bureau during the year ended October 31, 2014	(70,341)
Lodging tax funds due to Liberty County Convention & Visitors Bureau at October 31, 2014	$ 18,435

NOTE 13. RISK MANAGEMENT

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

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

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

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

The City pays unemployment claims to the state department of labor on a reimbursement basis. Liabilities for such claims are immaterial and are not accrued.

NOTE 14. DEFERRED COMPENSATION PLAN

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

NOTE 15. COMMITMENTS AND CONTINGENCIES

Litigation

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

Contractual Obligations

The City has contracted with CH2M Hill for the operation of the wastewater treatment plant, meter reading, construction and maintenance, and water lab and pump maintenance of the Water and Sewer Enterprise Fund. It has further contracted with CH2M Hill for the operation of all of its "Public Works" departments. This includes streets, vehicle maintenance, sanitation, public works, mosquito control, and parks and grounds in the General Fund, sanitation services in the Sanitation Enterprise Fund and drainage services in the Stormwater Utility Enterprise Fund.

Grant Contingencies

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


HINESVILLE
GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF HINESVILLE, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability {AAL} (b)	Unfunded (Surplus) AAL {UAAL} (b) - (a)	Funded Ratio (a)/(b)	Covered Payroll	UAAL as a Percentage of Covered Payroll* [(b) - (a)] / (c)
07/01/2009	7,516,008	11,663,814	4,147,806	64.44%	7,859,885	52.77%
01/01/2010	9,589,494	12,108,116	2,518,622	79.20%	7,893,937	31.91%
01/01/2011	10,464,796	13,054,205	2,589,409	80.16%	8,319,757	31.12%
01/01/2012	11,318,516	14,086,507	2,767,991	80.35%	8,213,329	33.70%
01/01/2013	12,476,201	15,164,423	2,688,222	82.27%	8,462,032	31.77%
01/01/2014	13,750,979	16,558,781	2,807,802	83.04%	8,114,256	34.60%

**Not less than zero*

CITY OF HINESVILLE, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S CONTRIBUTION

Plan Year Beginning	Annual Required Contribution	Percentage Contributed
11/01/2013	945,935	100.00%
11/01/2012	918,393	100.00%
11/01/2011	881,102	100.00%


HINESVILLE
GEORGIA

SUPPLEMENTARY DATA

COMBINING STATEMENTS AND SCHEDULES
STATE MANDATED PROGRAM INFORMATION

CITY OF HINESVILLE, GEORGIA

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
OCTOBER 31, 2014

	Special Revenue Funds	
	Multiple Grant Fund	Hotel/ Motel Tax Fund
Assets		
Cash and cash equivalents	$ 292,290	$ -
Receivables, net	-	30,525
Notes receivable, net	306,149	-
Due from other governments	34,893	-
Total assets	$ 633,332	$ 30,525
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 11,038	$ 18,436
Due to component unit	10,940	-
Due to other funds	228,112	12,089
Total liabilities	250,090	30,525
Fund balances		
Restricted	-	-
Assigned	383,242	-
Total fund balances	383,242	-
Total liabilities and fund balances	$ 633,332	$ 30,525

CITY OF HINESVILLE, GEORGIA

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
OCTOBER 31, 2014

Capital Project Funds		Total Nonmajor Governmental Funds
SPLOST Fund	LMIG Fund	
$ -	$ -	$ 292,290
-	-	30,525
-	-	306,149
856,898	-	891,791
$ 856,898	$ -	$ 1,520,755
$ 2,310	$ -	$ 31,784
-	-	10,940
741,438	-	981,639
743,748	-	1,024,363
113,150	-	113,150
-	-	383,242
113,150	-	496,392
$ 856,898	$ -	$ 1,520,755

CITY OF HINESVILLE, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NON-MAJOR GOVERNMENTAL FUNDS YEAR ENDED OCTOBER 31, 2014

	Special Revenue Funds	
	Multiple Grant Fund	Hotel/ Motel Tax Fund
Revenues:		
Other taxes	$ -	$ 183,377
Intergovernmental	749,503	-
Interest revenues	14,422	-
Total revenues	763,925	183,377
Expenditures:		
Current:		
Public safety	32,839	-
Housing and development	524,498	-
Health and welfare	279,251	-
Culture and recreation	25,735	-
Capital outlay	-	-
Principal	-	-
Interest and fiscal charges	-	-
Intergovernmental	-	73,351
Total expenditures	862,323	73,351
Excess (deficiency) of revenues over (under) expenditures	(98,398)	110,026
Other financing sources (uses)		
Transfers In	214,092	-
Transfers Out	(112,215)	(110,026)
Total other financing sources (uses)	101,877	(110,026)
Net change in fund balances	3,479	-
Fund balance - November 1	379,763	-
Fund balance - October 31	$ 383,242	$ -

CITY OF HINESVILLE, GEORGIA

EXPENDITURES
AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED OCTOBER 31, 2014

Capital Project Funds		
SPLOST Fund	LMIG Fund	Total Nonmajor Governmental Funds
$ -	$ -	$ 183,377
1,523,172	681,358	2,954,033
-	-	14,422
1,523,172	681,358	3,151,832
-	-	32,839
-	-	524,498
-	-	279,251
-	-	25,735
464,907	681,358	1,146,265
830,000	-	830,000
228,265	-	228,265
-	-	73,351
1,523,172	681,358	3,140,204
-	-	11,628
-	-	214,092
-	-	(222,241)
-	-	(8,149)
-	-	3,479
113,150	-	492,913
$ 113,150	$ -	$ 496,392

CITY OF HINESVILLE, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - MULTIPLE GRANT FUND
YEAR ENDED OCTOBER 31, 2014

	Budgeted Amounts Final	Actual	Variance With Final Budget
Revenues			
Intergovernmental	$ 1,540,317	$ 749,503	$ (790,814)
Interest revenues	-	14,422	14,422
Total revenues	1,540,317	763,925	(776,392)
Expenditures			
Public safety			
Police	34,993	32,839	2,154
Fire	145,850	-	145,850
Total public safety	180,843	32,839	148,004
Public works			
Highways and streets	1,311,590	-	1,311,590
Total public works	1,311,590	-	1,311,590
Housing and development			
Urban redevelopment	476,382	524,498	(48,116)
Total housing and development	476,382	524,498	(48,116)
Health and welfare			
Community development	297,790	279,251	18,539
Total health and welfare	297,790	279,251	18,539
Culture and recreation			
Parks and grounds	20,000	25,735	(5,735)
Total culture and recreation	20,000	25,735	(5,735)
Total expenditures	2,286,605	862,323	1,424,282
Excess (deficiency) of revenues over (under) expenditures	(746,288)	(98,398)	647,890
Other financing sources (uses)			
Transfers In	1,186,985	214,092	(972,893)
Transfers Out	(165,697)	(112,215)	53,482
Total other financing sources	1,021,288	101,877	(919,411)
Net change in fund balances	275,000	3,479	(271,521)
Fund balance - November 1	268,003	379,763	111,760
Fund balance - October 31	$ 543,003	$ 383,242	$ (159,761)

CITY OF HINESVILLE, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - HOTEL/MOTEL TAX FUND
YEAR ENDED OCTOBER 31, 2014

	Budgeted Amounts Final	Actual	Variance With Final Budget
Revenues			
Other taxes	$ 182,000	$ 183,377	$ 1,377
Total revenues	182,000	183,377	1,377
Expenditures			
Current			
General government	72,800	73,351	(551)
Total expenditures	72,800	73,351	(551)
Excess (deficiency) of revenues over (under) expenditures	109,200	110,026	826
Other financing sources (uses):			
Transfers Out	(109,200)	(110,026)	(826)
Total other financing sources	(109,200)	(110,026)	(826)
Net change in fund balances	-	-	-
Fund balance - November 1	-	-	-
Fund balance - October 31	$ -	$ -	$ -

CITY OF HINESVILLE, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALE TAX PROCEEDS FOR THE YEAR ENDED OCTOBER 31, 2014

Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
2009 Resolution					
Memorial Drive Realignment Project:					
Section 3	$ 260,520	$ 260,520	$ 260,520	$ -	$ 260,520
Section 4	2,024,329	2,024,329	679,540	461,124	1,140,664
Azalea Street	121,000	121,000	155,505	-	155,505
Forest Street Reconstruction	1,124,188	1,124,188	1,117,433	-	1,117,433
Meloney Drive	372,438	372,438	152,990	-	152,990
Hwy 84 ADA Ramps (Stewart to Screven)	67,500	67,500	-	-	-
South Main Street	807,843	807,843	91,756	-	91,756
McArthur Road	248,527	248,527	400	-	400
Milling	300,000	300,000	20,900	-	20,900
ADA Ramps	-	-	5,400	-	5,400
Veteran's Parkway Widening	-	-	-	3,783	3,783
Jack Hill Road	505,930	505,930	411,743	-	411,743
Windhaven Drainage	-	170,000	160,965	-	160,965
Hinesville capital projects	266,848	-	266,848	-	266,848
Hinesville capital projects	218,489	-	218,489	-	218,489
Hinesville capital projects - Debt Service	3,516,213	-	3,001,047	1,058,265	4,059,312
Total all Projects	$ 9,833,825	$ 6,002,275	$ 6,543,536	$ 1,523,172	$ 8,066,708

* Transfer to Public Facilities Fund at the bond closing for City's contribution towards the city hall and public works projects.

COMPONENT UNIT

CITY OF HINESVILLE, GEORGIA

BALANCE SHEET
COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY
OCTOBER 31, 2014

Assets		
Cash and cash equivalents	$	122,756
Due from other governments		10,940
Restricted assets:		
Cash and cash equivalents		3,853
Assets held for resale		811,978
Total assets	$	949,527
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$	11,803
Due to other governments		126,957
Total liabilities		138,760
Fund balances		
Unassigned		810,767
Total fund balances	$	810,767
Amounts report for governmental activies in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund.	$	38,729
Certain liabilities, including notes payable, are not due and payable in the current period and, therefore, are not reported in the fund.		(23,663)
Net position of component unit	$	825,833

CITY OF HINESVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY
YEAR ENDED OCTOBER 31, 2014

Revenues:		
Charges for services	$	19,491
Intergovernmental		698,542
Other revenues		15,312
Total revenues		733,345
Expenditures:		
Administration		230,647
Housing and development		121,000
Debt service:		
Principal		5,748
Interest and fiscal charges		1,608
Total expenditures		359,003
Excess (deficiency) of revenues over (under) expenditures		374,342
Net change in fund balances		374,342
Fund balance - November 1		436,425
Fund balance - October 31	$	810,767

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

Net change in fund balance - component unit	$	374,342
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		(1,064)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		5,748
Change in net position of component unit	$	379,026


HINESVILLE
GEORGIA

STATISTICAL SECTION

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

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These schedules contain trend information to help the reader understand how the city's financial position has changed over time.	
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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.	
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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.	
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These schedules offer economic and demographic indicators to help the reader understand the environment within which the city's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
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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.	

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

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

	2005	2006	2007	2008
Governmental activities				
Net investment in capital assets	$ 26,531,993	$ 31,015,029	$ 32,609,746	$ 35,434,244
Restricted	-	-	-	-
Unrestricted	11,692,691	10,060,871	10,675,809	9,551,986
Total governmental actives net position	$ 38,224,684	$ 41,075,900	$ 43,285,555	$ 44,986,230
Business-type activities				
Net investment in capital assets	$ 11,440,310	$ 15,932,876	$ 20,677,179	$ 14,505,464
Restricted	2,120,389	1,462,728	973,378	983,605
Unrestricted	2,434,634	(225,279)	(2,822,212)	3,343,670
Total business-type activities net position	$ 15,995,333	$ 17,170,325	$ 18,828,345	$ 18,832,739
Primary government				
Net investment in capital assets	$ 37,972,303	$ 46,947,905	$ 53,286,925	$ 49,939,708
Restricted	2,120,389	1,462,728	973,378	983,605
Unrestricted	14,127,325	9,835,592	7,629,239	12,895,656
Total primary government net position	$ 54,220,017	$ 58,246,225	$ 61,889,542	$ 63,818,969

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

2009	2010	2011	2012	2013	2014
$ 37,958,051	$ 39,915,094	$ 45,090,621	$ 44,891,313	$ 45,307,116	$ 45,709,098
-	6,813,401	1,230,256	171,859	113,152	-
9,052,494	(643,479)	2,006,278	3,525,295	3,528,944	3,824,687
$ 47,010,545	$ 46,085,016	$ 48,327,155	$ 48,588,467	$ 48,949,212	$ 49,533,785
$ 14,349,819	$ 15,511,244	$ 36,204,616	$ 35,270,060	$ 38,682,382	$ 36,872,572
1,022,230	975,793	928,898	1,489,051	1,416,215	902,015
1,272,209	23,943,510	5,036,776	5,209,990	875,035	2,119,014
$ 16,644,258	$ 40,430,547	$ 42,170,290	$ 41,969,101	$ 40,973,632	$ 39,893,601
$ 52,307,870	$ 55,426,338	$ 81,295,237	$ 80,161,373	$ 83,989,498	$ 82,581,670
1,022,230	7,789,194	2,159,154	1,660,910	1,529,367	902,015
10,324,703	23,300,031	7,043,053	8,735,285	4,403,979	5,943,701
$ 63,654,803	$ 86,515,563	$ 90,497,444	$ 90,557,568	$ 89,922,844	$ 89,427,386

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

	2005	2006	2007	2008
Expenses				
Primary government:				
Governmental activities:				
General government	$ 1,952,769	$ 2,351,658	$ 2,194,891	$ 2,071,081
Judicial [e]	-	310,188	307,241	352,712
Public safety	7,581,847	7,909,188	8,552,233	9,027,601
Highways and streets	2,906,748	3,216,476	2,867,482	2,476,765
Health and Welfare [g]	669,126	822,567	481,410	526,306
Welfare	733,852	841,646	-	-
Culture and recreation	352,428	431,665	1,006,902	880,562
Housing and development [g]	-	-	2,590,029	3,198,315
Interest and fiscal changes	111,312	91,989	78,094	67,529
Total governmental activities expenses	14,308,082	15,975,377	18,078,282	18,600,871
Business-type activities:				
Water and sewer	6,182,700	6,570,595	6,925,859	8,128,043
Sanitation [a]	2,040,141	2,177,974	2,103,192	2,220,636
Stormwater utility [f]	-	-	178,089	1,027,258
Transit	-	-	-	-
Total business-type activities expenses	8,222,841	8,748,569	9,207,140	11,375,937
Total primary government expenses	22,530,923	24,723,946	27,285,422	29,976,808
Program revenues				
Primary government:				
Governmental activities:				
Charges for services [d]				
General government	577,856	542,218	725,721	692,777
Judiciary	-	-	149,635	136,248
Public safety	1,379,091	1,641,696	1,429,152	1,158,496
Public works	53,919	44,824	107,738	75,081
Housing and development	54,338	-	348,742	264,734
Operating grants and contributions	775,003	942,686	1,324,376	1,963,488
Capital grants and contributions [b]	1,756,388	1,319,046	2,383,816	2,876,760
Total governmental activities program revenues	4,596,595	4,490,470	6,469,180	7,167,584
Business-type activities:				
Charges for services	7,610,791	8,897,876	9,625,421	11,192,455
Operating grants and contributions	-	-	-	-
Capital grants and contributions [b]	576,772	812,915	551,930	-
Total business-type activities program revenues	8,187,563	9,710,791	10,177,351	11,192,455
Total primary government program revenues	12,784,158	14,201,261	16,646,531	18,360,039
Net (expense) / revenue				
Governmental activities	(9,711,487)	(11,484,907)	(11,609,102)	(11,433,287)
Business-type activities	(35,278)	962,222	970,211	(183,482)
Total primary government net (expense) / revenue	(9,746,765)	(10,522,685)	(10,638,891)	(11,616,769)

(Continued)

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

2009	2010	2011	2012	2013	2014
$ 2,094,334	$ 2,483,187	$ 2,429,215	$ 2,819,021	$ 2,579,432	$ 2,787,319
368,461	415,532	426,155	439,396	464,156	489,298
9,761,982	10,238,143	11,321,340	9,863,394	9,787,757	9,927,371
2,665,112	2,761,761	2,875,882	2,476,406	2,760,779	2,581,340
617,340	574,305	625,795	684,546	669,911	743,587
-	-	-	-	-	-
801,662	826,155	889,866	791,773	866,305	864,952
2,468,991	3,466,832	1,979,711	1,838,628	1,573,491	2,255,583
53,893	140,367	407,888	386,593	366,568	334,092
18,831,775	20,906,282	20,955,852	19,299,757	19,068,399	19,983,542
9,205,371	9,105,367	9,268,587	9,185,009	9,391,144	9,285,371
2,166,292	2,386,351	2,516,038	2,644,447	2,609,542	2,756,948
1,057,459	939,821	1,054,997	1,218,301	1,257,788	1,317,097
-	208,507	1,750,776	1,525,441	999,418	862,768
12,429,122	12,640,046	14,590,398	14,573,198	14,257,892	14,222,184
31,260,897	33,546,328	35,546,250	33,872,955	33,326,291	34,205,726
774,060	659,534	789,678	997,898	1,078,032	1,105,783
133,593	138,605	98,349	102,504	92,582	100,641
1,213,611	1,165,065	994,721	1,330,070	1,224,357	1,304,429
71,426	68,181	66,002	93,298	16,460	17,721
251,054	131,035	210,411	300,711	338,576	387,775
1,264,948	1,648,071	1,022,543	1,052,162	789,032	920,415
3,344,072	3,800,018	6,728,453	1,939,196	2,035,426	2,287,199
7,052,764	7,610,509	9,910,157	5,815,839	5,574,465	6,123,963
10,111,291	10,429,212	10,912,645	12,503,738	12,086,334	12,217,064
-	83,014	739,949	604,998	556,466	418,520
-	25,725,883	3,819,981	46,828	432,300	-
10,111,291	36,238,109	15,472,575	13,155,564	13,075,100	12,635,584
17,164,055	43,848,618	25,382,732	18,971,403	18,649,565	18,759,547
(11,779,011)	(13,295,773)	(11,045,696)	(13,483,918)	(13,493,934)	(13,859,579)
(2,317,831)	23,598,063	882,177	(1,417,634)	(1,182,792)	(1,586,600)
(14,096,842)	10,302,290	(10,163,519)	(14,901,552)	(14,676,726)	(15,446,179)

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

	2005	2006	2007	2008
General revenues and other changes in net position				
Governmental activities:				
Taxes [c]	12,845,757	13,020,799	13,053,189	12,907,329
Federal and state grants and other contributions not restricted to specific functions [h]	-	-	22,477	24,795
Investment earnings	194,943	354,286	443,756	108,899
Other revenues	145,877	548,420	49,718	92,937
Gain on sale of assets	40,603	15,824	-	-
Transfers	352,480	396,794	(466,750)	-
Total governmental activities general revenues and other changes in net position	13,579,660	14,336,123	13,102,390	13,133,960
Business-type activities:				
Federal and state grants and other contributions not restricted to specific functions				
Intergovernmental	-	-	-	-
Other revenues	363,311	411,980	19,246	37,984
Investment earnings	121,511	197,584	201,813	149,890
Transfers	(352,480)	(396,794)	466,750	-
Total business type activities general revenues and other changes in net position	132,342	212,770	687,809	187,874
Total primary government general revenues and other changes in net position	13,712,002	14,548,893	13,790,199	13,321,834
Change in net position				
Governmental activities	3,868,173	2,851,216	1,493,288	1,700,673
Business-type activities	97,064	1,174,992	1,658,020	4,392
Total primary government change in net position	$ 3,965,237	$ 4,026,208	$ 3,151,308	$ 1,705,065

(a) 2005 revenues included significant amounts of infrastructure donated by local contractors as new developments were completed.

(b) Tax revenues have continued to increase as the City has enjoyed continued growth and a thriving economy.

(c) Beginning in fiscal year 2005, license and permits were classified as charges for services.

(d) Beginning in fiscal year 2006, the Municipal Court activities were reclassified as judicial expenditures from public safety.

(e) Beginning in fiscal year 2007, the City began reporting a storm water utility enterprise fund.

(f) Beginning in fiscal year 2007, housing and development expenditures were reclassed from welfare, and health and welfare expenditures are reported as one function.

(g) Beginning in fiscal year 2007, payments in lieu of taxes were reclassified as general revenues.

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

2009	2010	2011	2012	2013	2014
13,519,784	13,455,909	13,820,149	14,224,947	14,025,576	14,581,189
24,236	26,739	22,516	20,956	19,937	17,176
193,345	56,058	24,800	26,474	11,372	14,983
56,971	137,178	51,912	49,780	118,561	22,870
8,993	(365,982)	6,091	6,745	21,049	3,425
-	(79,583)	(637,633)	(583,675)	(143,760)	(195,494)
13,803,329	13,230,319	13,287,835	13,745,227	14,052,735	14,444,149
-	-	145,608	565,934	88,457	-
56,602	49,959	55,708	57,453	61,781	305,116
72,749	58,686	18,617	9,384	6,997	5,959
-	79,583	637,633	583,676	143,760	195,494
129,351	188,228	857,566	1,216,447	300,995	506,569
13,932,680	13,418,547	14,145,401	14,961,674	14,353,730	14,950,718
2,024,318	(65,454)	2,242,140	261,312	558,801	584,570
(2,188,480)	23,786,291	1,739,741	(201,189)	(881,797)	(1,080,031)
$ (164,162)	$ 23,720,837	$ 3,981,881	$ 60,123	$ (322,996)	$ (495,461)

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

	2005	2006	2007	2008
General Fund				
Reserved	$ 480,611	$ 501,215	$ 438,206	$ 454,746
Unreserved	8,242,597	9,601,131	9,305,564	8,658,517
Nonspendable	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total General fund	8,723,208	10,102,346	9,743,770	9,113,263
All Other Governmental Funds				
Reserved				
Capital projects funds	-	-	-	-
Unreserved, reported in:				
Special revenue funds	362,665	429,665	447,745	218,503
Capital projects funds	20,334	20,334	(15,058)	(72,050)
Restricted	-	-	-	-
Assigned	-	-	-	-
Total all other governmental funds	$ 382,999	$ 449,999	$ 432,687	$ 146,453

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

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

2009	2010	2011*	2012	2013	2014
$ 462,922	$ 1,425,571	$ -	$ -	$ -	$ -
8,018,060	4,659,002	-	-	-	-
-	-	119,806	123,225	314,514	121,357
-	-	66,370	66,400	125,313	104,935
-	-	2,643,487	1,648,500	1,183,070	1,160,020
-	-	409,060	492,934	843,414	1,367,011
8,480,982	6,084,573	3,238,723	2,331,059	2,466,311	2,753,323
-	6,813,401	-	-	-	-
201,719	217,753	-	-	-	-
78,912	-	-	-	-	-
-	-	346,780	171,859	113,150	113,150
-	-	215,622	268,002	379,763	383,242
$ 280,631	$ 7,031,154	$ 562,402	$ 439,861	$ 492,913	$ 496,392

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

	2005	2006	2007	2008
Revenues:				
Taxes	$ 13,067,293	$ 13,139,164	$ 12,845,946	$ 15,793,512
Licenses and permits	449,481	524,968	521,847	476,725
Charges for services	937,145	1,247,708	1,895,671	733,196
Intergovernmental	33,615	44,824	805,689	2,162,806
Fines, forfeitures, and fees	1,198,644	1,641,696	1,263,396	1,033,661
Interest revenues	194,943	354,286	443,756	108,899
Other revenues	457,431	548,420	207,469	160,283
Total revenues	16,338,552	17,501,066	17,983,774	20,469,082
Expenditures:				
Current:				
General government	2,018,049	2,615,256	2,149,401	2,046,797
Judiciary [b]	-	310,188	307,241	351,386
Public safety	7,460,198	7,790,319	8,413,678	8,981,182
Highways and streets	2,289,907	2,974,786	2,326,779	1,924,282
Sanitation [a]	-	-	-	-
Health and welfare [c]	630,691	805,112	481,409	523,491
Welfare	734,225	842,418	-	-
Culture and recreation	347,789	440,885	600,073	811,435
Housing and development [c]	-	-	2,294,267	2,542,275
Capital outlay	1,679,889	304,829	493,871	2,894,247
Debt service:				
Principal	290,022	288,613	247,688	255,000
Interest and fiscal charges	111,866	95,140	83,011	70,581
Issuance costs	-	-	-	-
Intergovernmental Assistance [d]	-	-	737,886	1,013,907
Total expenditures	15,562,636	16,467,546	18,135,304	21,414,583
Excess of revenues over expenditures	775,916	1,033,520	(151,530)	(945,501)
Other financing sources (uses)				
Proceeds from the sale of capital assets	40,603	15,824	-	28,758
Transfers in	442,535	524,994	447,013	407,579
Transfers out	(90,055)	(128,200)	(447,013)	(407,579)
Insurance Recoveries	-	-	-	-
Bonds Issued	-	-	-	-
Paying agent fees	-	-	-	-
Bond discount	-	-	-	-
Total other financing sources (uses)	393,083	412,618	-	28,758
Net change in fund balances	$ 1,168,999	$ 1,446,138	$ (151,530)	$ (916,743)
Debt service as a percentage of noncapital expenditures	2.89%	2.37%	1.87%	1.76%

(a) Beginning in fiscal year 2006, the Municipal Court activities were reclassified as judicial expenditures from
(b) Beginning in fiscal year 2007, housing and development expenditures were reclassed from welfare, and health and welfare expenditures are function.
(c) Beginning in fiscal year 2007, certain intergovernmental assistance payments were reclassed from functional

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

Fiscal Year					
2009	**2010**	**2011**	**2012**	**2013**	**2014**
$ 13,422,946	$ 13,328,746	$ 13,793,840	$ 14,000,212	$ 14,117,974	$ 14,627,280
562,341	431,860	516,812	602,567	592,896	640,027
740,652	696,390	687,160	1,057,039	1,154,046	1,153,508
4,633,256	5,463,538	4,669,683	3,003,793	2,242,837	3,216,859
1,057,140	1,002,884	825,363	1,093,684	895,463	1,001,938
193,345	56,058	24,800	26,473	11,372	14,983
145,177	249,329	180,761	149,032	125,756	132,872
20,754,857	21,228,805	20,698,419	19,932,800	19,140,344	20,787,467
2,075,051	2,499,484	2,305,062	2,547,978	2,327,486	2,436,995
367,289	409,876	422,570	434,225	463,732	489,280
9,764,313	10,047,017	10,677,842	9,581,411	9,580,853	9,703,697
1,742,224	1,785,571	1,950,677	1,496,661	1,926,623	1,523,233
-	-	-	-		
615,212	571,853	627,265	682,784	667,298	744,207
-	-	-			
543,686	539,631	528,547	441,882	516,627	510,700
2,041,798	3,002,003	1,518,104	1,370,243	1,282,834	1,695,689
3,089,996	6,122,878	8,058,381	1,615,917	333,171	1,146,265
270,000	285,000	895,000	1,045,000	820,000	830,000
57,124	111,992	413,676	381,233	359,360	339,070
-	218,480	-			
695,257	717,641	1,984,350	788,741	638,380	885,769
21,261,950	26,311,426	29,381,474	20,386,075	18,916,364	20,304,905
(507,093)	(5,082,621)	(8,683,055)	(453,275)	223,980	482,562
8,993	11,210	6,091	6,745	21,051	3,425
340,696	765,372	409,152	190,548	433,896	436,333
(340,696)	(844,955)	(1,046,785)	(774,223)	(577,656)	(631,827)
-	-	-	-	87,036	-
-	9,510,000	-	-	-	-
-	(1,000)	-	-	-	-
-	(3,892)	-	-	-	-
8,993	9,436,735	(631,542)	(576,930)	(35,673)	(192,069)
$ (498,100)	$ 4,354,114	$ (9,314,597)	$ (1,030,205)	$ 188,307	$ 290,493
1.80%	0.30%	6.41%	7.61%	6.47%	6.88%

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

Tax Digest Year	Real Property				Other Personal Property	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential	Commercial	Mobile Homes	Motor Vehicles						
2004[1]	270,518,473	95,725,444	4,435,665	35,127,590	25,978,614	(3,247,563)	428,538,223	11.30	1,071,345,558	40%
2005[1]	281,735,360	107,984,300	3,613,167	36,838,860	28,961,659	(4,185,699)	454,947,647	11.30	1,137,369,118	40%
2006[1]	302,145,795	107,995,366	3,613,167	36,838,860	29,018,502	(4,191,845)	475,419,845	10.90	1,188,549,613	40%
2007[1]	367,834,532	125,544,393	3,846,296	45,410,690	31,329,951	(5,630,747)	568,335,115	9.50	1,420,837,788	40%
2008[1]	376,181,073	125,717,958	3,734,701	48,103,840	32,549,420	(6,104,112)	580,182,880	9.50	1,450,457,200	40%
2009[1]	380,731,235	127,833,897	3,558,186	44,587,750	32,767,487	(6,460,000)	583,018,555	9.50	1,457,546,388	40%
2010[1]	401,784,208	127,220,629	3,338,777	43,676,030	29,873,037	(6,470,000)	599,422,681	9.50	1,498,556,703	40%
2011[1]	415,109,341	138,178,478	3,085,585	49,079,290	31,204,044	(6,412,000)	630,244,738	9.50	1,575,611,845	40%
2012[1]	417,486,872	139,946,280	2,710,168	49,496,030	14,928,830	(9,620,356)	614,947,824	10.50	1,537,369,560	40%
2013[1]	415,473,979	179,621,821	2,710,168	51,003,100	12,762,472	(9,893,404)	651,678,136	10.50	1,629,195,340	40%

(1) Source: Liberty County Tax Commissioner

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

Tax Digest Year	Total Millage Rage	City of Hinesville	Liberty County	Board of Education	Industrial Authority	Hospital Authority	State of Georgia
2004	44.829	11.300	13.279	16.000	2.000	2.000	0.250
2005	44.780	11.300	13.230	16.000	2.000	2.000	0.250
2006	43.751	10.900	12.684	16.000	2.000	1.917	0.250
2007	43.034	9.500	12.684	15.600	2.000	3.000	0.250
2008	42.430	9.500	11.980	15.600	2.000	3.100	0.250
2009	42.430	9.500	11.980	15.600	2.000	3.100	0.250
2010	42.430	9.500	11.980	15.600	2.000	3.100	0.250
2011	41.800	9.500	11.300	15.500	2.000	3.250	0.250
2012	43.130	10.500	11.180	16.000	2.000	3.250	0.200
2013	42.960	10.500	11.180	15.880	2.000	3.250	0.150

Source: Liberty County Tax Commissioner

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

	2013 Tax Digest			2003 Tax Digest		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
Georgia Power Company	$ 7,461,914	1	1.64%	$ 5,303,804	2	1.46%
Fort Stewart Liberty LLC	7,332,266	2	1.61%	-		0.00%
Liberty Independence	6,111,928	3	1.34%	-		0.00%
Wal-Mart Real Estate	4,116,813	4	0.90%	2,355,938	5	0.65%
Wal-Mart Stores	3,897,767	5	0.86%	3,566,046	3	0.98%
Comcast	3,363,057	6	0.74%	-		0.00%
Dryden Claude & Loretta	2,704,536	7	0.59%	1,568,743	9	0.43%
NG Liberty Square	2,375,690	8	0.52%	-		0.00%
Lowes Home Center	2,355,721	9	0.52%	-		0.00%
Hinesville Fee Owner, LLC	2,307,552	10	0.51%	-		0.00%
Coastal Utilities	-		0.00%	7,935,354	1	2.19%
Sec Of VA	-		0.00%	2,659,752	4	0.73%
Raintree Associates LTD	-		0.00%	2,217,979	6	0.61%
The Heritage Bank	-		0.00%	1,863,689	7	0.51%
Perlis-Ellin LLC	-		0.00%	1,734,683	8	0.48%
Robert Glenn Carter	-		0.00%	1,555,718	10	0.43%
Total	$ 42,027,244		9.24%	$ 30,761,706		8.49%

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

				Collected within the Fiscal Year of the Levy			Total Collections to Date	
Tax Year	Taxes Levied	Errors, Releases or Adjustments	Adjusted Tax Levy	Amount	% of Levy	Collections in Subsequent Years	Amount	% of Levy
2004	4,842,482	(15,402)	4,827,080	4,614,326	95.59%	204,896	4,819,222	99.84%
2005	4,709,366	(21,957)	4,687,410	4,563,910	97.37%	113,183	4,677,093	99.78%
2006	4,745,877	(73,727)	4,672,150	4,544,117	97.26%	121,319	4,665,436	99.86%
2007	4,866,815	(68,074)	4,798,741	4,654,127	96.99%	152,994	4,807,121	100.17%
2008	5,589,180	(556,137)	5,033,044	4,859,145	96.54%	126,614	4,985,759	99.06%
2009	5,114,417	(21,098)	5,093,319	4,891,691	96.04%	187,292	5,078,983	99.72%
2010	5,155,167	(13,200)	5,141,967	4,967,624	96.61%	168,517	5,136,141	99.89%
2011	5,288,783	(41)	5,288,742	5,080,985	96.07%	143,304	5,224,289	98.78%
2012	5,904,662	(24,307)	5,880,355	5,670,199	96.43%	132,729	5,802,928	98.68%
2013	6,273,751	(150,324)	6,123,426	5,958,723	97.31%	-	5,958,723	97.31%

Source: Liberty County Tax Commissioner

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

	2005	2006	2007	2008	2009
January	$ 262,173	$ 343,937	$ 305,827	$ 247,186	$ 304,783
February	238,449	332,347	322,925	330,016	292,281
March	259,671	341,208	297,523	357,589	274,643
April	249,009	371,688	353,351	373,534	234,317
May	253,999	325,321	335,296	350,726	319,508
June	244,409	344,359	276,242	362,345	347,258
July	262,231	335,228	344,954	352,046	345,952
August	263,971	343,579	303,050	315,295	397,553
September	245,563	404,044	333,310	377,778	339,415
October	204,811	221,151	306,839	337,815	303,748
November	242,812	276,025	279,588	262,917	281,470
December	276,836	341,095	342,997	438,775	332,858
Pro Rata Adjustment	10,316	14,896	14,440	-	24,463
Total	**$ 3,014,248**	**$ 3,994,877**	**$ 3,816,342**	**$ 4,106,023**	**$ 3,798,249**

	2010	2011	2012	2013	2014
January	$ 386,122	$ 343,157	$ 332,999	$ 261,994	$ 261,020
February	379,243	368,479	356,869	343,330	292,382
March	365,520	367,935	382,608	315,621	314,874
April	340,956	356,909	339,411	266,344	279,745
May	344,333	346,457	341,352	280,246	291,239
June	330,211	375,718	350,028	286,869	286,409
July	324,018	369,289	349,351	305,581	292,715
August	354,738	370,314	334,425	383,121	292,388
September	321,727	360,406	328,283	279,687	288,794
October	350,056	314,198	316,440	264,256	289,435
November	348,941	324,260	306,122	279,612	281,209
December	416,934	393,222	351,168	309,012	312,866
Pro Rata Adjustment	767	8,646	1,076	322	1,737
Total	**$ 4,263,567**	**$ 4,298,990**	**$ 4,090,133**	**$ 3,575,996**	**$ 3,484,813**

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

Fiscal Years ended October 31,	Water		Sewer	
	Gallons	Charge	Gallons	Charge
2003	up to 3,000	$11.10	up to 5,000	$11.10
	3,001 - 7,000	$11.10+$1.50 x [(consumption/1,000)-5]	5,001 - 7,000	$11.10+$1.50 x [(consumption/1,000)-5]
	7,001 - 12,000	$17.10+$1.60 x [(consumption/1,000)-7]	7,001 - 12,000	$14.10+$1.60 x [(consumption/1,000)-7]
	12,001 - 20,000	$25.10+$1.70 x [(consumption/1,000)-12]	12,001 - 20,000	$21.10+$1.70 x [(consumption/1,000)-12]
	20,001 - Over	$38.70+$1.90 x [(consumption/1,000)-20]	20,001 - Over	$34.70+$1.90 x [(consumption/1,000)-20]
2004 - 2005	up to 3,000	$11.20	up to 5,000	$11.20
	3,001 - 7,000	$11.20+$1.60 x [(consumption/1,000)-5]	5,001 - 7,000	$11.20+$1.60 x [(consumption/1,000)-5]
	7,001 - 12,000	$17.20+$1.70 x [(consumption/1,000)-7]	7,001 - 12,000	$14.20+$1.70 x [(consumption/1,000)-7]
	12,001 - 20,000	$25.20+$1.80 x [(consumption/1,000)-12]	12,001 - 20,000	$22.20+$1.80 x [(consumption/1,000)-12]
	20,001 - Over	$38.80+$2.00 x [(consumption/1,000)-20]	20,001 - Over	$35.80+$2.00 x [(consumption/1,000)-20]
2006-2007	up to 3,000	$11.50	up to 5,000	$11.50
	3,001 - 7,000	$11.50+$1.60 x [(consumption/1,000)-5]	5,001 - 7,000	$11.50+$1.60 x [(consumption/1,000)-5]
	7,001 - 12,000	$17.90+$1.70 x [(consumption/1,000)-7]	7,001 - 12,000	$14.70+$1.70 x [(consumption/1,000)-7]
	12,001 - 20,000	$26.40+$1.80 x [(consumption/1,000)-12]	12,001 - 20,000	$23.20+$1.80 x [(consumption/1,000)-12]
	20,001 - Over	$40.80+$2.00 x [(consumption/1,000)-20]	20,001 - Over	$37.60+$2.00 x [(consumption/1,000)-20]
2008	up to 3,000	$11.80	up to 5,000	$11.80
	3,001 - 7,000	$11.80+$1.70 x [(consumption/1,000)-5]	5,001 - 7,000	$11.80+$1.70 x [(consumption/1,000)-5]
	7,001 - 12,000	$18.60+$1.80 x [(consumption/1,000)-7]	7,001 - 12,000	$15.20+$1.80 x [(consumption/1,000)-7]
	12,001 - 20,000	$27.60+$1.90 x [(consumption/1,000)-12]	12,001 - 20,000	$24.20+$1.90 x [(consumption/1,000)-12]
	20,001 - Over	$42.80+$2.15 x [(consumption/1,000)-20]	20,001 - Over	$39.40+$2.15 x [(consumption/1,000)-20]
2009-2011	up to 3,000	$12.10	up to 5,000	$12.10
	3,001 - 7,000	$12.10+$1.80 x [(consumption/1,000)-5]	5,001 - 7,000	$12.10+$1.80 x [(consumption/1,000)-5]
	7,001 - 12,000	$19.30+$1.90 x [(consumption/1,000)-7]	7,001 - 12,000	$15.70+$1.90 x [(consumption/1,000)-7]
	12,001 - 20,000	$28.80+$2.00 x [(consumption/1,000)-12]	12,001 - 20,000	$25.20+$2.00 x [(consumption/1,000)-12]
	20,001 - Over	$44.80+$2.30 x [(consumption/1,000)-20]	20,001 - Over	$41.20+$2.30 x [(consumption/1,000)-20]
2012-2013	up to 3,000	$13.71	up to 5,000	$13.71
	3,001 - 7,000	$13.71+$2.14 x [(consumption/1,000)-5]	5,001 - 7,000	$13.71+$2.14 x [(consumption/1,000)-5]
	7,001 - 12,000	$22.27+$2.34 x [(consumption/1,000)-7]	7,001 - 12,000	$17.99+$2.34 x [(consumption/1,000)-7]
	12,001 - 20,000	$33.97+$2.54 x [(consumption/1,000)-12]	12,001 - 20,000	$29.69+$2.54 x [(consumption/1,000)-12]
	20,001 - Over	$54.29+$3.11 x [(consumption/1,000)-20]	20,001 - Over	$50.01+$3.11 x [(consumption/1,000)-20]

Source: City of Hinesville Water Department

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

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
2005	9,649	3.160	2.919	9,487	3.990	3.470	820,033	2,672	166,387	11,526
2006	9,657	3.569	3.171	9,504	4.036	3.421	879,785	4,981	167,190	11,502
2007	9,565	3.545	2.989	9,413	5.677	4.644	796,367	3,584	195,677	7,902
2008	9,810	3.611	3.064	9,644	5.760	5.160	780,196	4,152	188,458	11,790
2009	9,764	4.705	3.210	9,583	5.337	3.335	824,767	3,039	180,713	10,667
2010	9,618	3.233	2.925	9,468	5.719	4.281	768,445	1,634	171,870	13,969
2011	9,913	3.470	3.154	9,708	4.998	4.140	831,323	2,057	184,360	13,065
2012	9,867	3.242	2.957	9,624	3.881	2.668	764,108	1,279	168,717	13,091
2013	9,972	2.984	2.758	9,768	3.022	2.592	696,132	1,401	164,120	8,312
2014	10,032	3.231	3.152	9,827	3.589	3.245	740,850	1,330	165,154	11,109

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

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

Customer	Gallons Metered	Water Revenue	Sewer Revenue	Total Revenue
Summerwind	14,662	45,506	45,455	90,961
Place Properties	10,781	43,672	43,965	87,637
Raaintree Properties	9,370	31,599	31,583	63,182
Liberty Regional Hospital	9,125	28,284	28,233	56,517
Woodwind South	8,633	26,753	26,702	53,455
Liberty Co. Jail	7,950	24,634	24,583	49,217
Tattersall Village	6,761	36,030	36,030	72,060
Northgate Apartments	6,744	20,879	20,828	41,707
Lakeside 2 MHP	6,441	19,937	19,886	39,823
Shady Oaks MHP	5,985	18,518	18,493	37,011
Totals	**86,452**	**$ 295,812**	**$ 295,758**	**$ 591,570**

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
2005	428,538,223	42,853,822	-	42,853,822	0.00
2006	454,947,647	45,494,765	-	45,494,765	0.00
2007	475,419,845	47,541,985	-	47,541,985	0.00
2008	568,335,115	56,833,512	-	56,833,512	0.00
2009	580,182,880	58,018,288	-	58,018,288	0.00
2010	583,018,555	58,301,856	-	58,301,856	0.00
2011	599,422,681	59,942,268	-	59,942,268	0.00
2012	630,244,738	63,024,474	-	63,024,474	0.00
2013	614,947,824	61,494,782	-	61,494,782	0.00
2014	651,678,136	65,167,814	-	65,167,814	0.00

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

	Governmental Activities			Business-type Activities				
Fiscal Years Ended October 31,	Build America Bonds	Certificates of Participation	Notes Payable	Revenue Bonds	Notes Payable	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2005	-	1,820,000	7,755	7,080,000	2,619,336	11,527,091	0.70%	200
2006	-	1,590,000	2,688	6,405,000	2,531,713	10,529,401	0.58%	179
2007	-	1,345,000	-	5,695,000	18,533,089	25,573,089	1.75%	409
2008	-	1,090,000	-	4,370,015	29,185,145	34,645,160	2.26%	573
2009	-	820,000	-	3,708,356	29,322,833	33,851,189	2.01%	579
2010	9,506,189	535,000	-	3,011,697	29,622,249	42,675,135	2.49%	686
2011	8,911,384	235,000	-	2,545,000	13,015,867	24,707,251	1.35%	389
2012	8,101,579	-	-	1,740,000	13,738,181	23,579,760	1.20%	360
2013	7,281,774	-	-	9,885,000	2,519,168	19,685,942	1.00%	307
2014	6,451,969	-	-	8,675,000	4,536,172	19,663,141	0.99%	303

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

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

City of Hinesville, Georgia
Direct and Overlapping Governmental Activities Debt
As of October 31, 2014

Jurisdiction	Amount of Authorized Overlapping Debt	Amount of Outstanding Debt as of 10/31/2014	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, Build America Bonds, 2010	$ 9,510,000	$ 6,451,969	100.00%	$ 6,451,969
Subtotal direct debt				6,451,969
Liberty County, Georgia - Overlapping Debt				
Public Facilities Authority Bonds, 2004 Series	1,070,000	-	49.14%	-
Public Facilities Authority Bonds, 2008 Series-A	3,500,000	2,880,000	49.14%	1,415,099
Public Facilities Authority Bonds, 2008 Series-B	1,500,000	1,105,000	49.14%	542,946
Public Facilities Authority Bonds, 2009 Series	20,785,000	17,860,000	49.14%	8,775,582
Liberty County Projects Corporation, 2001 Series	4,772,038	4,390,706	49.14%	2,157,391
Subtotal overlapping debt				12,891,018
Total direct and overlapping debt				$ 19,342,987

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

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that could place burden on the residents and businesses of the City of Hinesville. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account.

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

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

	Water Revenue Bonds					
				Debt Service[b]		
Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage Ratio
2005	$ 5,816,219	$ 4,134,827	$ 1,681,392	$ 650,000	$ 383,015	1.63
2006	7,118,352	4,496,363	2,621,989	675,000	349,460	2.56
2007	7,131,093	4,799,280	2,331,813	710,000	317,323	2.27
2008	8,203,564	5,459,268	2,744,296	745,000	282,993	2.67
2009	7,079,398	6,101,358	978,040	780,000	246,222	0.95
2010	7,170,886	5,989,932	1,180,954	815,000	207,230	1.16
2011	7,541,581	6,224,685	1,316,896	810,000	165,793	1.35
2012	9,037,318	6,253,767	2,783,551	805,000	123,898	3.00
2013	8,001,215	6,581,155	1,420,060	850,000	81,550	1.52
2014	8,360,549	6,785,346	1,575,203	1,210,000	204,226	1.11

[a] Operating expenses do not include interest, depreciation, amortization expenses, or support departments such as administration & finance.

[b] Details regarding the City's outstanding debt can be found in the notes to the financial statements.

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

Fiscal Year	Population [1]	Personal Income [1]	Per Capita Personal Income [1]	Median Age [2]	Unemployment Rate [3]	School Enrollment [4]		
						Private	Public	Home Schooled
2005	57,544	1,638,405	28,465	25.0	5.40%	430	11,500	N/A
2006	58,925	1,818,201	30,853	25.0	7.00%	546	11,052	187
2007	62,571	1,464,213	24,216	25.0	6.50%	513	10,853	166
2008	60,503	1,531,289	25,309	25.0	6.60%	410	11,051	164
2009	58,491	1,680,122	28,724	27.4	8.50%	460	10,356	185
2010	62,186	1,711,213	27,518	27.4	8.50%	506	10,537	175
2011	63,453	1,829,122	28,826	27.4	9.20%	400	10,511	178
2012	65,451	1,971,389	30,120	27.4	9.60%	398	10,179	129
2013	64,135	1,973,254	30,767	27.4	9.80%	365	10,231	134
2014	64,899	1,989,254	30,652	27.4	8.90%	282	9,874	130

(1)Source: Bureau of Economic Analysis: Regional Economic Accounts-estimates
(2)Source: U.S. Bureau of the Census, Census 2000
(3)Source: State Department of Labor
(4)Source: Liberty County Board of Education

City of Hinesville, Georgia
Demographic Profile
Census 2010

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

Source: Year 2010 U.S. Census Report

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

	2014			2004		
Business	**Number of Employees [1]**	**Rank**	**Percentage of Total County Employment [2]**	**Number of Employees [1]**	**Rank**	**Percentage of Total County Employment [2]**
Fort Stewart Civilian Employees	3,380	1	14.95%	2,298	1	11.48%
Liberty County Board of Education	1,889	2	8.35%	1,675	2	8.37%
SNF, Inc.	1,300	3	5.75%	560	3	2.80%
Liberty Regional Medical Center	537	4	2.38%	340	5	1.70%
Wal-Mart Super Center	535	5	2.37%	575	4	2.87%
Target	430	6	1.90%	-		-
Liberty County Board of Commissioners	395	7	1.75%	280	6	1.40%
Interstate Paper Corporation	210	8	0.93%	286	8	1.43%
Firth Rixon Forgings, LLC	207	9	0.00%	-		-
City of Hinesville	204	10	0.92%	179	9	0.89%
Hugo Boss	200		0.89%	147	10	0.73%
Totals	9,287		40.19%	6,340		31.67%

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

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

Fiscal Year Ended October 31,	General Government	Police Department	Fire Department	Inspections	Total
2005	27	105	45	11	188
2006	37	97	45	13	192
2007	37	96	46	13	192
2008	38	106	49	12	205
2009	37	98	49	12	196
2010	41	100	49	14	204
2011	43	104	49	14	210
2012	43	101	47	14	205
2013	43	100	49	14	206
2014	42	103	45	14	204

Source: City of Hinesville Human Resource Department

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

Function	2005	2006	2007	2008	2009
Police					
Citations issued[1]	10,951	13,596	12,160	11,194	11,256
DUI Citations issued[1]	127	161	133	145	202
Warnings issued[1]	5,926	4,909	5,582	4,825	4,666
Crime Statistics:[2]					
Aggravated Assault	35	46	43	56	47
Auto Theft	64	59	72	72	73
Murder	-	6	3	1	2
Rape	22	16	17	9	13
Robbery	53	50	42	53	74
Burglary	416	417	494	517	635
Theft	1,513	1,726	1,675	1,364	1,200
Fire[3]					
Incident responses	1,781	2,051	2,271	2,219	2,422
Public Safety Education					
Events	113	245	681	1,491	1,601
Persons contacted	16,621	11,647	14,483	13,511	11,260

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

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

2010	2011	2012	2013	2014
9,277	9,991	12,566	10,501	11,424
124	110	112	126	96
4,656	4,663	5,135	4,540	4,712
40	37	125	88	139
63	57	46	69	46
5	1	1	4	1
13	14	22	10	7
47	49	34	43	35
470	521	425	371	353
1,190	1,112	1,117	1,117	1,147
2,383	3,853	3,463	3,074	3,260
648	301	280	294	425
16,480	15,871	48,811	49,377	42,058

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

	Fiscal Year									
Function/Program	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	74	83	82	85	88	87	86	86	61	90
Fire										
Fire stations	2	2	2	2	2	2	2	2	2	2
Units (SUV, Cars)	-	-	9	9	9	9	9	9	9	9
Dive Van	-	-	1	2	2	2	2	2	2	2
Dive Boat	-	-	1	1	1	1	1	1	1	1
Fire Safety House	-	-	1	1	1	1	1	1	1	1
Rehab Trailer	-	-	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	3	3
Ladder	1	1	1	1	1	1	1	1	1	1
Tanker	1	1	1	1	1	1	1	1	1	1
Service trucks	1	1	1	1	1	1	1	1	1	1
Rescue	3	3	3	3	3	3	3	3	3	3
Public works										
Streets owned & maintained (miles)[a]	0.56	0.56	0.58	0.62	0.64	0.65	0.65	0.06	0.65	0.65
Right-of-ways maintained (miles)[a]	1.38	1.38	1.41	1.47	1.53	1.55	1.55	1.55	1.55	1.55
Trucks	23	23	23	23	23	23	23	23	26	26
Heavy Equip	21	21	21	21	21	19	21	21	23	23
Water										
Service trucks	7	7	7	7	7	7	7	7	7	7
Fire hydrants	1,043	1,043	1,044	1,185	1,203	1,222	1,228	1,249	1,264	1,282
Storage capacity (millions of gallons)[b]	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Wastewater										
Treatment capacity per day (millions of gallons) #1	7.15	7.15	7.15	7.15	7.15	7.15	7.15	7.15	7.15	7.15
Treatment capacity per day (millions of gallons) #2	-	-	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Solid Waste										
Garbage can collection trucks	7	8	8	8	8	7	8	8	8	8
Other collection trucks [c]	9	9	15	15	10	13	10	10	11	11
Transit										
Buses	-	-	-	-	-	8	9	9	9	9

Source: Various City departments.

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

[a] Data presented is in sq. miles.

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

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

City of Hinesville, Georgia
Construction Activity
Last Ten Fiscal Years

Fiscal Year Ended October 31,	Residential Permits Issued	Residential Water ERUs	Residential Sewer ERUs	Commercial Permits Issued	Commercial Water ERUs	Commercial Sewer ERUs
2005	108	109.90	111.50	5	27.00	33.97
2006	90	203.90	229.00	28	83.71	119.26
2007	83	70.33	170.31	14	19.29	4.43
2008	81	192.78	103.00	17	45.11	24.44
2009	91	104.44	107.00	6	17.55	32.13
2010	57	57.00	138.00	4	28.39	33.35
2011	103	112.00	109.00	12	38.44	32.45
2012	173	164.00	157.00	22	19.35	32.45
2013	122	133.33	128.00	2	46.44	16.71
2014	140	141.00	141.00	8	52.22	24.54

Source: City of Hinesville Department of Inspections

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


HINESVILLE
GEORGIA

COMPLIANCE SECTION

CITY OF HINESVILLE, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2014

Federal/Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Housing and Urban Development			
Direct Programs:			
Continuum of Care - Supportive Housing Program	14.235	GA0053L4B011205	$ 66,168
Community Development Block Grant-Entitlement Grant	14.218	B-10-MC-13-0013	42,661
Community Development Block Grant-Entitlement Grant	14.218	B-11-MC-13-0013	19,757
Community Development Block Grant-Entitlement Grant	14.218	B-12-MC-13-0013	4,739
Community Development Block Grant-Entitlement Grant	14.218	B-13-MC-13-0013	114,129
Community Development Block Grant-Entitlement Grant	14.218	B-14-MC-13-0013	32,400
Total CDBG Entitlement Grants			213,686
Total Direct Programs			279,854
Pass through Georgia Department of Community Affairs			
2013 Emergency Solutions Grant (Emergency Shelter)	14.231	2013 13E EO 13C094	11,875
2013 Emergency Solutions Grant (Rapid Re-Housing)	14.231	2013 13E ER 13C095	49,797
2014 Emergency Solutions Grant (Emergency Shelter)	14.231	2014 HTF EO 14C092	13,596
2014 Emergency Solutions Grant (Rapid Re-Housing)	14.231	2014 HTF ER 14C093	12,812
Total Pass-through Programs			88,080
Total U.S. Department of Housing and Urban Development			367,934
U.S. Department of Justice			
Direct Programs:			
Ed Byrne Memorial	16.738	2011-DJ-BX-3426	14,989
Ed Byrne Memorial	16.738	2013-DJ-BX-0911	14,457
Ed Byrne Memorial	16.738	2014-DJ-BX-0620	3,378
Pass through Criminal Justice Coordinating Council			
Georgia Highway Safety	16.738	GA-2014-000-00459	7,998
Total CFDA 16.738			40,822
Direct Programs:			
COPS Hiring Program	16.710	2010-UM-WX-0087	29,396
Bulletproof Vest Partnership Program	16.607	2011BUBX11056507	10,449
Total U.S. Department of Justice			80,667

(Continued)

See accompanying notes to schedule of expenditures of federal awards

CITY OF HINESVILLE, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2014

Federal/Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Transportation			
Pass through Georgia Department of Transportation			
Section 5307 Operating Assistance	20.507	GA-90-4309-02	$ 103,403
Section 5307 Capital Improvements Assistance	20.507	GA-90-X309-03	167,739
Section 5307 Preventive Maintenance	20.507	GA-96-X012-01	889
Section 5307 Operating Assistance	20.507	GA-90-X334	65,497
Section 5307 Capital Improvements Assistance	20.507	GA-90-X334-01	76,779
Total Pass-through Programs			414,307
Total U.S. Department of Transportation			414,307
U.S. Department of Homeland Security			
Pass through Liberty County United Way			
Emergency Food and Shelter Grant	97.024	196000-013	5,000
Pass through Georgia Emergency Management Agency			
Homeland Security	97.067	EMW-2013-SS-00054-S01	10,000
Total Pass-through Programs			15,000
Total U.S. Department of Homeland Security			15,000
Total Expenditures of Federal Awards			$ 877,908

See accompanying notes to schedule of expenditures of federal awards

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED OCTOBER 31, 2014

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying schedule of expenditures of Federal Awards includes the federal grant activity of the City of Hinesville, Georgia under programs of the federal government for the fiscal year ended October 31, 2014. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the City of Hinesville, Georgia, it is not intended to and does not present financial position, changes in net position or cash flows of the City of Hinesville, Georgia.

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, Cost Principles for State, Local, and Indian Tribunal Governments, wherein certain types of expenditures are not allowable or are limited to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

Measurement Focus

The determination of when an award is expended is based on when the activity related to the award occurs.

Program Type Determination

Type A programs are defined as Federal programs with Federal expenditures exceeding the lager of $300,000 or three percent of total Federal expenditures. The threshold of $300,000 was used in distinguishing between Type A and Type B programs.

Method of Major Program Selection

The risk-based approach was used in the selection of Federal programs to be tested as major programs. The City did not qualify as a low-risk auditee for the fiscal year ended October 31, 2014.

Amount Provided to Subrecipients

The total amount provided to subrecipients from each major program is as follows:

U.S. Department of Housing and Urban Development			
Community Development Block Grants- Entitlement Grant	14.218	$	26,943
U.S. Department of Justice Ed Byrne Memorial	16.710	$	3,378

CITY OF HINESVILLE, GEORGIA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2014

FEDERAL AWARD FINDINGS

Findings Noted on the Report on compliance with Requirements Applicable to Each Major Program and Internal control over Compliance in Accordance with OMB Circular A-133:

NONE REPORTED


HINESVILLE
GEORGIA

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*

Honorable Mayor and City Council
City of 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Hinesville, Georgia as of and for the fiscal year ended October 31, 2014, 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 28, 2015.

Internal Control Over Financial Reporting

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

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

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

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Compliance and Other Matters

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

Purpose of this Report

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

Macon, Georgia
April 28, 2015

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT OF INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

Honorable Mayor and City Council
City of Hinesville, Georgia

Report on Compliance for Each Major Federal Program

We have audited the City of Hinesville, Georgia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Hinesville, Georgia's major federal programs for the fiscal year ended October 31, 2014. City of Hinesville, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Hinesville, Georgia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Government, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Hinesville, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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Opinion on Each Major Federal Program

In our opinion, the City of Hinesville, Georgia 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 fiscal year ended October 31, 2014.

Report on Internal Control Over Compliance

Management of the City of Hinesville, Georgia is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Hinesville, Georgia's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Hinesville, Georgia's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the City of Hinesville, Georgia as of and for the year ended October 31, 2014, and have issued our report thereon dated April 28, 2015, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Macon, Georgia
April 28, 2015

CITY OF HINESVILLE, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2014

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	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 Section .510(a) of OMB Circular A-133?	No

Identification of Major Programs:

CFDA Numbers	Name of Federal Program
20.507	Transit Operations Assistance
14.218	Community Development Block Grant

Dollar threshold used to distinguish between Type A and Type B program	$ 300,000
Auditee qualified as low-risk auditee	No

Section II – Financial Statement Findings

No financial statement findings were reported.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.


HINESVILLE
GEORGIA