CITY OF HOBOKEN, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2018

Earl A. Lawson
Certified Public Accountant
Blackshear, Georgia

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City of Hoboken, Georgia
Financial Statements
For the Fiscal Year Ended December 31, 2018

Table of Contents

	Page
Introductory Section	
Organization Chart	5
Financial Section	
Independent Auditor's Report	8-10
Management's Discussion and Analysis	11-19
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	21
Statement of Activities	22
Fund Financial Statements	
Governmental Funds	
Balance Sheet-Governmental Funds	23
Reconciliation of total governmental fund balances to Net Position of Governmental Activities	24
Statements of Revenues, Expenditures, and Changes in Fund Balance	25-26
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	27
Proprietary Funds	
Statement of Net Position	28
Statement of Revenues, Expenses, and Changes in Net Position	29
Statement of Cash Flows	30-31
Notes to the Financial Statements	
Index to Notes to Financial Statements	33
Notes to Financial Statements	34-56
Required Supplementary Information Other Than MD & A:	
Budgetary comparison schedule General Fund	58-59
Notes to required supplementary information	60
Major Capital Project fund:	
Schedule of Revenues, Espenditures, and Changes in Fund Balance:	
SPLOST Fund	62

Table of Contents (continued)

	Page
Nonmajor Governmental Funds:	
Combining Balance Sheet	65
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	66
Nonmajor Special Revenue Funds:	
Combining Balance Sheet	70
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	71-72
Mobile Home Park:	
Balance Sheet	73
Schedule of Revenues, Expenditures, and Changes in Fund Balance	74
Community Center:	
Balance Sheet	75
Schedule of Revenues, Expenditures, and Changes in Fund Balance	76
Nonmajor Capital Project Funds:	
Dot LMIG:	
Balance Sheet	78
Schedule of Revenues, Expenditures, and Changes in Fund Balance	79
State Compliance Section:	
Independent Auditor's Report	82
Schedule of projects constructed with Special Purpose Local Option Sales Tax	83
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	84-85

Introductory Section

CITY OFFICIALS

MAYOR
Joey D. Crews

MAYOR PROTEM
Ashley Smith

COUNCIL
Greg Buie
Robin Helmuth
Wesley Lee
Mary Stone
Chris W. Thomas

CITY CLERK / PERSONNEL DIRECTOR
Linda Henderson, Certified MC/FO

ASSISTANT CITY CLERK
Breanna Lattanzie

CITY JUDGE
Bradley Collins

POLICE CHIEF
Jonathan McMillan

FIRE CHIEF
Ricky Floyd

CITY ATTORNEY
Dan Bennett

PUBLIC WORKS SUPERVISOR
Ben Davis Stone

FINANCIAL SECTION

Independent Auditor's Report

Earl A. Lawson, CPA
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

To the City Council
Hoboken, Georgia

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the City of Hoboken, Georgia, as of and for the year ended December 31, 2018, and the related notes 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 controls 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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

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Opinions

In my 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, each major fund, and the aggregate remaining fund information of the City of Hoboken, Georgia, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof 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, and budgetary comparison information on pages 11-19 and 57-60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

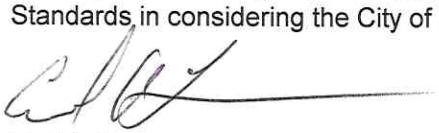
Supplementary and Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Hoboken, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements, 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 my opinion, the combining and individual nonmajor fund financial statements is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, I have also issued my report dated January 25, 2019 on my consideration of the City of Hoboken Georgia's internal controls over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of my testing, of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on 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 Hoboken's internal control over financial reporting.



Earl A. Lawson
Certified Public Accountant
Blackshear, Georgia
January 25, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis (MD&A) is a narrative introduction, overview and analysis of the basic financial statements prepared by the City.

City of Hoboken, Georgia
Management's Discussion and Analysis
For the Year Ended December 31, 2018

Our discussion and analysis of the City of Hoboken's financial performance provides an overview of the City's financial activities for the year ended December 31, 2018. Please read it in conjunction with the City's financial statements, which begins on page 20.

FINANCIAL HIGHLIGHTS

The assets of the City of Hoboken exceeded its liabilities at December 31, 2018 by $1,952,748. Of this amount unrestricted net position of $285,860 may be used to meet the government's ongoing obligations to citizens and creditors.

The total net position increased by $21,737. Of this amount a increase of $24,592 was associated with governmental and an decrease of $2,855 with business-type activities.

As of the close of the current year, the City of Hoboken governmental funds reported combined ending fund balances of $206,925 a decrease of $52,654 in comparison with the prior year. Of this amount $94,801 is restricted and $40,171 is assigned.

At the end of the current year, unassigned fund balance for the general fund was $71,953, or 15.16% of the total general fund expenditures.

The City improved some of the roads within the City during the year at a cost of $92,723 which was treated as an expenditure in the Governmental Funds. $73,598 was paid with SPLOST funds and $19,125 was paid from the DOT LMIG funds.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities on page 21-22 provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements on page 23. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

Reporting the City as a Whole

The Statement of Net Position and the Statement of Activities

Our analysis of the City as a whole begins on page 21. One of the most important questions asked about the City's finances is , "Is the City as whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis* of accounting, which are similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's *net position* and changes in them. You can think of the City's net position--the difference between assets and liabilities--as one way to measure *the City's financial health, or of financial position.* Over time, increases or decreases in the City's net position are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the City's *property tax base and the condition of the City's roads, to assess the overall health* of the City.

In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

Governmental activities--Most of the City's basic services are reported here, including the police, fire, public works, and general administration. Property taxes, franchise fees, and state and federal grants finance most of these activities.

Business--type activities--The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water system is its business type activity.

Reporting the City's Most Significant Funds

Fund Financial Statements

Our analysis of the City's major funds begins on page 23. The fund financial statement begins on page 23 and provides detailed information about the most significant funds--not the City as a whole. Some funds are required to be establishes by State law and by bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes or the show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The City's two kinds of funds--*governmental* and *proprietary*--use different accounting approaches.

Governmental funds--Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an *accounting method called modified accrua* l accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental *fund statements provide a detailed short-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statements of Activities) and governmental *funds* in a reconciliation at the bottom of the fund financial statements.

Proprietary funds--When the City charges customers for the services it provides these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities.

In fact, the City's enterprise funds are the same as the business-type in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

THE CITY AS A WHOLE

The City's combined net position were $1,931,011 at the end of 2017 and $1,952,748 at the end of 2018 for a increase of $21,737 during the year. The net position belongs to the governmental $1,029,363 and business type activities $923,385.

Table 1

	Governmental Activities		Business-type Activities		Total Primary Government	
	December '31		December '31		December '31	
	2017	2018	2017	2018	2017	2018
Current & other assets	$ 287,431	$ 232,302	$ 161,521	$ 171,837	$ 448,952	$ 404,139
Capital assets	752,327	822,249	774,145	760,635	1,526,472	1,582,884
Total assets	1,039,758	1,054,551	935,666	932,472	1,975,424	1,987,023
Long-term debt outstanding	10,797	14,391	-	-	10,797	14,391
Other liabilities	24,190	10,797	9,426	9,087	33,616	19,884
Total liabilities	34,987	25,188	9,426	9,087	44,413	34,275
Net position:						
Net Investment in Capital Assets	731,145	811,452	774,145	760,635	1,505,290	1,572,087
Restrictede	132,994	94,801	-	-	132,994	94,801
Unrestricted (deficit)	140,632	123,110	152,095	162,750	292,727	285,860
Total net position	$ 1,004,771	$ 1,029,363	$ 926,240	$ 923,385	$ 1,931,011	$ 1,952,748

Net position of the City's governmental activities increased by 2.4 percent or $24,592. *Unrestricted* Net position--the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirement--changed from a $140,632 at December 31, 2017, to $123,110 at December 31, 2018.

The decrease in the unrestricted net position was caused by the increase in capital assets within the City for roads. The unrestricted net position decreased, but the Net Investment in capital assets increased.

The unrestricted net position of our business type activities increased by 6.9% percent, $162,750 compared to $152,095. This increase resulted primarily from the depreciation within the water system.

Table 2
Changes in Net Position of
Government and Business Type Activities

	Governmental Activities		Business-type Activities		Total Primary Government	
	December '31		December '31		December '31	
Revenues:	2017	2018	2017	2018	2017	2018
Program Revenues						
Charges for services	$ 163,413	$ 166,749	$ 56,935	$ 56,889	$ 220,348	$ 223,638
Grants and entitlements	98,233	59,790	-	-	98,233	59,790
General Revenues						
Property taxes	72,192	96,885	-	-	72,192	96,885
Other taxes	200,251	207,816	-	-	200,251	207,816
Grants and entitlements	-	-	-	-	-	-
Other Revenues	6,405	514	748	793	7,153	1,307
Total Revenues	540,494	531,754	57,683	57,682	598,177	589,436
Expenses						
General government	147,575	170,055	-	-	147,575	170,055
Public safety	207,530	220,985	-	-	207,530	220,985
Public works	101,864	103,395	-	-	101,864	103,395
Culture and recreation	-	-	-	-	-	-
Community development	-	11,880	-	-	-	11,880
Interest	1,247	847	-	-	1,247	847
Water	-	-	56,427	60,537	56,427	60,537
Total expense	458,216	507,162	56,427	60,537	514,643	567,699
Excess (deficiency) before transfers and contributions	82,278	24,592	1,256	(2,855)	83,534	21,737
Capital contributions	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Increase (decrease) in net position	$ 82,278	$ 24,592	$ 1,256	$ (2,855)	$ 83,534	$ 21,737

The cost of all governmental activities this year was $507,162 compared to $458,216 last year. However, as shown in the Statement of Activities on page 22, the amount that our taxpayers ultimately financed for these activities through City taxes was $280,623 because some of the cost was paid by those who directly benefited from the programs $166,749 or by other governments and organizations that subsidized certain programs with grants and contribution $58,790. The City paid for the remaining "public benefit" portion of governmental activities with taxes and with other revenues.

Table 3 presents the cost of each of the City's three largest programs--police, fire, public works, as well as each program's *net* cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2017	2018	2017	2018
Public safety	$ 207,530	$ 220,985	$ 67,693	$ 79,683
Public works	101,864	103,395	21,331	65,040
All others	-	-	-	-
Totals	$ 309,394	$ 324,380	$ 89,024	$ 144,723

THE CITY'S FUNDS

As the City completed the year, its governmental funds as presented in the balance sheet on page 23 reported a combined fund balance of $206,925, which is a decrease from last year's total of $259,579 Included in this year's total change in fund balance.

General Fund Budgetary Highlights

The City Council did not amend the budget during the year ended December 31, 2018.

The City had a variance of $44,237 in the revenue in the general fund. The budget had total revenue of $422,218 The actual revenue was $466,455

The City had a variance of $52,369 in expenditures in the general fund. The budget had total expenditures of $422,218 the actual expenditures were $474,587

The variance in expenditures was caused by the increase in utilities, fuel, repairs and supplies.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2018 the City had $1,582,884 invested in a broad range of capital assets, including police and fire equipment, buildings, roads, bridges, and water lines. (See Table 4 below.) This amount represents a net increase (including additions and deductions) of $56,412, or 3.70 percent, over last year. The increase in capital assets was the result of the paving of streets.

Table 4
Capital Assets at Year-end
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Primary Government	
	December '31		December '31		December '31	
	2017	2018	2017	2018	2017	2018
Land	$ 115,550	$ 115,550	$ 3,687	$ 3,687	$ 119,237	$ 119,237
Building and Improvements	230,883	220,746	-	-	230,883	220,746
Equipment	43,071	38,887	770,458	756,948	813,529	795,835
Infrastructure	362,823	447,066	-	-	362,823	447,066
Totals	$ 752,327	$ 822,249	$ 774,145	$ 760,635	$ 1,526,472	$ 1,582,884

For more information on the changes in capital assets, see Note 5 on page 45 & 46.

Debt

At year-end, the City had $0.00 in capital lease outstanding compared to $0.00 last year a decrease of $0.00-as shown in Table 5. The City had $21,182 in note payable in 2017 compared to $10,797 in 2018 for a decrease of $10,385.

Table 5
Outstanding Debt at Year-end

	Governmental Activities		Business-type Activities		Primary Government	
	December '31		December '31		December '31	
	2017	2018	2017	2018	2017	2018
Leases	$ -	$ -	$ -	$ -	$ -	$ -
Revenue bonds (backed by water & sewer fee revenues)	-	-	-	-	-	-
Note payable	21,182	10,797	-	-	21,182	10,797
Totals	$ 21,182	$ 10,797	$ -	$ -	$ 21,182	$ 10,797

The City issued $0.00 in new debt during the year ended December 31, 2018. The City does not plan to issue any new debt during the year ended December 31, 2019.

For more information on the City's long-term debt, see Note 7 on page 48-51.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's elected and appointed officials considered many factors when setting the year December 31, 2019 budget, tax rates, and fees that will be charged for the business-type activities. One of those factors is the economy. The Mayor and City Council also considered the expected increase in the cost of goods and services during 2019.

These indicators were taken into account when adopting the General Fund budget is expected to increase modestly by the close of 2019. More importantly, however, this will have been accomplished without selling capital assets or incurring long-term debt.

As for the City's business-type activities, we expect that the 2019 results will also improve based on these recent decisions:

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditor with a general overview of the City's finances and to show the City's adjustability for the money it receives. If you have questions about this report or need additional financial information, contact the City Clerk's Office at City Hall, Hoboken, Georgia.

Basic Financial Statements

The basic financial statements include the government-wide statement of net position and government-wide statement of activities which include all of the primary government's governmental activities and business-type activities. In addition, the basic financial statements include the fund financial statements and the notes to the financial statements.

City of Hoboken, Georgia
Statement of Net Position
December 31, 2018

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets and Deferred Outflows of Resources			
Current Assets			
Cash	$ 165,297	$ 165,653	$ 330,950
Receivables (net)	67,005	6,184	73,189
Receivable - grant	-	-	-
Prepaid	-	-	-
Inventories	-	-	-
Total Current Assets	232,302	171,837	404,139
Non-Current Assets			
Capital assets (Note 1):			
Land	115,550	3,687	119,237
Other capital assets, net of depreciation	706,699	756,948	1,463,647
Total Non-Current Assets	822,249	760,635	1,582,884
Deferred Outflows of Resources	-	-	-
Total Assets and Deferred Outflows of Resources	1,054,551	932,472	1,987,023
Liabilities and Deferred Inflows of Resources			
Current Liabilities			
Accounts payable and accrued expenses	14,391	1,326	15,717
Lease purchase agreement	-	-	-
Note payable	10,797	-	10,797
Deposits	-	7,761	7,761
Total Current Liabilities	25,188	9,087	34,275
Long-term liabilities :			
Note payable	-	-	-
Total Long-term Liabilities	-	-	-
Deferred Inflows of Resources	-	-	-
Total Liabilities and Deferred Inflows of Resources	25,188	9,087	34,275
NET POSITION			
Net Investment in capital assets	811,452	760,635	1,572,087
Restricted for:			
Capital projects	94,801	-	94,801
Debt service	-	-	-
Community development projects	-	-	-
Other purposes	-	-	-
Unrestricted (deficit)	123,110	162,750	285,860
Total net position	$ 1,029,363	$ 923,385	$ 1,952,748

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

City of Hoboken, Georgia
Statement of Activities
For the Year Ended December 31, 2018

Functions/Programs	Expense	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Total
PRIMARY GOVERNMENT:							
Government activities:							
General government	$ 170,055	$ 9,064	$ -	$ -	$ (160,991)	$ -	$ (160,991)
Public safety	220,985	141,302	-	-	(79,683)	-	(79,683)
Public works	103,395	2,072	5,734	30,549	(65,040)	-	(65,040)
Community development	11,880	14,311	2,500	21,007	25,938	-	25,938
Interest on long-term debt	847	-	-	-	(847)	-	(847)
Total governmental activities	507,162	166,749	8,234	51,556	(280,623)	-	(280,623)
Business-type activities:							
Water	60,537	56,889	-	-	-	(3,648)	(3,648)
Total business-type activities	60,537	56,889	-	-	-	(3,648)	(3,648)
Total primary government	$ 567,699	223,638	8,234	51,556	(280,623)	(3,648)	(284,271)
General revenues:							
Taxes:							
Property taxes, levied for general purposes					96,885	-	96,885
Sales Taxes					86,121	-	86,121
Insurance Premium Tax					37,844	-	37,844
Franchise taxes					66,577	-	66,577
Alcohol Tax					17,274	-	17,274
Other Revenues					-	-	-
Gain on sale of capital assets					-	-	-
Grants and contributions not restricted to specific programs					-	-	-
Unrestricted Investment earnings					514	793	1,307
Transfers					-	-	-
Total general revenues and transfers					305,215	793	306,008
Change in net position					24,592	(2,855)	21,737
Net position---beginning					1,004,771	926,240	1,931,011
Net position---ending					$ 1,029,363	923,385	$ 1,952,748

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

City of Hoboken, Georgia
Balance Sheet
Governmental Funds
December 31, 2018

	General	SPLOST Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 32,283	$ 73,328	$ 59,686	$ 165,297
Receivables, net	56,254	-	2,251	58,505
Due form other funds	-	-	-	-
Receivables from other governments	-	8,500	-	8,500
Prepaids	-	-	-	-
Inventories	-	-	-	-
Total assets	$ 88,537	$ 81,828	$ 61,937	$ 232,302
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	$ 4,316	$ 5,942	$ -	$ 10,258
Accrued payroll deductions	4,133	-	-	4,133
Due to other funds	-	-	-	-
Payable to other governments	-	-	-	-
Total liabilities	8,449	5,942	-	14,391
Deferred inflows of Resources	8,135	2,850	-	10,985
Total Liabilities and Deferred Inflows of Resources	16,584	8,792	-	25,376
Fund balances:				
Nonspendable	-	-	-	-
Restricted				
Public works	-	73,035	21,766	94,801
Committed:				
Assigned:				
Community development	-	-	40,171	40,171
Unassigned	71,953	-	-	71,953
Total fund balances	71,953	73,035	61,937	206,925
Total liabilities, Deferred Inflow of Resources and Fund Balances	$ 88,537	$ 81,827	$ 61,937	$ 232,301

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

City of Hoboken, Georgia
Reconciliation of Total Governmental Fund
Balances to Net Position of Governmental Activities
For the Year Ended December 31, 2018

TOTAL GOVERNMENTAL FUND BALANCES		$ 206,925
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		
Cost	1,350,211	
Less accumulated depreciation	(527,962)	822,249
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:		
Intergovernmental	2,850	
Property taxes	1,050	
Local option sales taxes	7,086	10,986
Liabilities, including notes and capital leases are not due and payable in the current period and therefore are not reported in the funds:		
Capital leases	-	
Note payable	(10,797)	(10,797)
NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 1,029,363

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

City of Hoboken, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2018

	General	SPLOST Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	$ 304,670	$ -	$ -	$ 304,670
Fees and fines	141,302	-	-	141,302
Licenses and permits	9,064	-	-	9,064
Intergovernmental	5,734	34,099	20,549	60,382
Charges for services	2,072	-	-	2,072
Rents	-	-	13,670	13,670
Contributions	2,500			2,500
Interest	472	-	42	514
Other	641	-	-	641
Total revenues	466,455	34,099	34,261	534,815
EXPENDITURES				
Current:				
General government	166,577	-	-	166,577
Public safety	217,314	-	-	217,314
Public works	79,464	-	8,279	87,743
Community Development	-	-	11,880	11,880
Capital Outlay:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	73,598	19,125	92,723
Community development	-	-	-	-
Debt service:				
Principal	10,385	-	-	10,385
Interest and other charges	847	-	-	847
Total expenditures	474,587	73,598	39,284	587,469
Excess (deficiency) of revenues over expenditures	(8,132)	(39,499)	(5,023)	(52,654)

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

City of Hoboken, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2018

	General	SPLOST Fund	Other Governmental Funds	Total Governmental Funds
OTHER FINANCING SOURCES (USES)				
Note proceeds	-	-	-	-
Sale of Capital Assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources and uses	-	-	-	-
Net change in fund balance	(8,132)	(39,499)	(5,023)	(52,654)
Fund balances-beginning	80,085	112,534	66,960	259,579
Fund balances-ending	$ 71,953	$ 73,035	$ 61,937	$ 206,925

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

City of Hoboken, Georgia
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2018

NET CHANGES IN FUND BALANCES TOTAL GOVERNMENTAL FUNDS		$ (52,654)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		
Capital outlay	92,723	
Depreciation expense	(22,801)	69,922
In the statement of activities, only the gain on the sale of asses is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the assets sold:		
Net book blue of assets sold		-
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Intergovernmental	(3,091)	
Taxes	(500)	
Sales taxes	530	(3,061)
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. The issuance of long term debt increases long term liabilities and the repayment of long term debt reduces long term liabilities in the statement of net position.		
Issuance of note	-	
Repayment of long term debt	10,385	10,385
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 24,592

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

City of Hoboken, Georgia
Statement of Net Position
Proprietary Fund
December 31, 2018

	Enterprise Fund	
	Water	Totals
ASSETS		
Current assets:		
Cash	$ 165,653	$ 165,653
Receivables, net	6,184	6,184
Due from other governments	-	-
Inventories	-	-
Total current assets	171,837	171,837
Noncurrent assets:		
Restricted cash	-	-
Capital assets:		
Land and improvements	3,687	3,687
Construction in progress	-	-
Distribution and collection systems	1,259,632	1,259,632
Buildings and equipment	4,108	4,108
Less: accumulated depreciation	(506,792)	(506,792)
Total noncurrent assets	760,635	760,635
Total assets	$ 932,472	$ 932,472
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	$ 1,326	$ 1,326
Compensated absences	-	-
Customer deposits	7,761	7,761
Bonds, notes, and loans payable	-	-
Total current liabilities:	9,087	9,087
Noncurrent liabilities:		
Compensated absences	-	-
Bonds, notes, and loans payable	-	-
Total noncurrent liabilities	-	-
Total liabilities	9,087	9,087
NET POSITION		
Investment in Capital Assets	760,635	760,635
Restricted	-	-
Unrestricted	162,750	162,750
Total net Position	923,385	923,385
Total Liabilities and Net Position	$ 932,472	$ 932,472

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

City of Hoboken, Georgia
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
For the Year Ended December 31, 2018

	Enterprise Fund	
	Water	Totals
OPERATING REVENUES		
Charges for services	$ 56,889	$ 56,889
Miscellaneous	-	-
Total operating revenues	56,889	56,889
OPERATING EXPENSES		
Personnel services	19,574	19,574
Contractual services	1,550	1,550
Utilities	4,060	4,060
Repairs and maintenance	8,177	8,177
Other supplies and expense	6,382	6,382
Insurance claims and expenses	3,294	3,294
Depreciation	17,500	17,500
Total operating expenses	60,537	60,537
Operating income (loss)	(3,648)	(3,648)
NONOPERATING REVENUES (EXPENSES)		
Interest	793	793
Intergovernmental	-	-
Interest expense	-	-
Miscellaneous expense	-	-
Total nonoperating revenue (expenses)	793	793
Income (loss) before contributions and transfers	(2,855)	(2,855)
CONTRIBUTIONS AND TRANSFERS		
Transfers In	-	-
Transfers (Out)	-	-
Net Contributions and Transfers	-	-
Change in net position	(2,855)	(2,855)
Total net position-beginning	926,240	926,240
Total net position-ending	$ 923,385	$ 923,385

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

City of Hoboken, Georgia
Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2018

	Enterprise Fund	
	Water	Totals
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$ 57,838	$ 57,838
Payments to suppliers	(24,063)	(24,063)
Payments to employees	(19,574)	(19,574)
Other receipts (payments)	-	-
Net cash provided by operating activities	14,201	14,201
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers In (Out)	-	-
Due to Other Funds	-	-
Net cash (used) by NONCAPITAL Financing Activities	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from capital debt	-	-
Intergovernmental	-	-
Purchases of capital assets	(3,990)	(3,990)
Principal paid on capital debt	-	-
Interest paid on capital debt	-	-
Other receipts (payments)	-	-
Net cash (used) by capital and related financing activities	(3,990)	(3,990)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	-	-
Interest	793	793
Net cash provided by investing activities	793	793
Net (decrease) in cash and cash equivalents	11,004	11,004
Balances-beginning of the year	154,649	154,649
Balances-end of the year	$ 165,653	$ 165,653

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

City of Hoboken, Georgia
Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2018

	Enterprise Fund	
	Water	Totals
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED BY OPERATING ACTIVITIES		
Operating income (loss)	$ (3,648)	$ (3,648)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	17,500	17,500
Change in assets and liabilities:		
Receivables, net	688	688
Inventories	-	-
Accounts and other payables	(600)	(600)
Customer deposits	261	261
Accrued expenses	-	-
Net cash provided by operating activities	$ 14,201	$ 14,201

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

NOTES TO THE FINANCIAL STATEMENTS

City of Hoboken, Georgia
Index to Notes to the Financial Statements

Note		Page
1	Summary of Significant Accounting Policies	
	A. Reporting Entity	34
	B. Basis of Financial Statement Presentation	35
	C. Measurement Focus - Basic of Accounting	36
	D. Encumbrances	37
	E. Deposits and Investments	37
	F. Prepaid Items	38
	G. Inventories	38
	H. Receivables and Payable	39
	I. Property Tax Calendar	39
	J. Capital Assets	39
	K. Accumulated unpaid vacation, sick pay and other employee benefit amounts	40
	L. Fund Equity	40-42
2	Stewardship, Compliance and Accountability	42
3	Deposits and Investments	43
4	Receivables and Payables	44
5	Capital Assets	45-46
5A	Deferred Outflows / Inflows of Resources	47
6	Interfunds Balances and Activity	48
7	Long-term Obligations	48-51
8	Retirement Benefits	51
9	Commitments and Contingencies	52
10	Risk Management	52-55
11	Commitments and Contingencies	55
12	Joint Ventures	56

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Hoboken, Georgia was incorporated under the laws of the State of Georgia, and operates under a mayor-council form of government. The mayor and a six member council govern the City and are elected for four year terms. The Mayor and the Council all serve on a part-time basis. The Mayor and Council appoint a City Clerk who is responsible for the daily operations of the City.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. For its enterprise fund, the City applies any FASB statements and interpretations issued after November 30, 1989, unless they conflict with or contradict GASB pronouncements.

A. Financial Reporting Entity

In conformity with generally accepted accounting principles, as set forth in GASB Statement No. 14, *The Financial Reporting Entity*, the financial statements of the reporting entity include those of the City of Hoboken. The criteria for including organizations as component units within the City's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- The organization is legally separate (can sue and be sued in its own name)
- The City holds the corporate powers of the organization
- The City appoints a voting majority of the organization's board
- The City is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the City
- There is fiscal dependency by the organization on the City

Discretely Presented Component Units - Based on the GASB criteria, the City has no entities that qualify as discretely presented component units.

Blended Component Units - Based on the GASB criteria, the City has no entities that qualify as blended component units.

Joint Ventures and Related Organizations: The City is required by State law to be a member of the Regional Commission (RC). The city pays its prorata share of operating costs and would be liable for a prorata share of any unpaid liabilities if the RC were to go out of existence. However, the City has no material equity interest in the RC and it is not included in these financial statements. Financial statements are available at the organizations' offices. At year-end there were no receivables or payables between the City and this organization.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Basis of Presentation, Basis of Accounting

Basis of Presentation

Government - wide Statements: The statement of net position and the statement of activities display information about the primary government (the City). These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type* activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines 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.

The government-wide financial statements, which are the statement of net position and the statement of activities, report information on all the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities which reply to a significant extent on fees and charges for support.

Fund Financial Statements:

The City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Major Governmental Funds

General Fund-

The General Fund is the main operating fund of the City. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

SPLOST Fund-

The SPLOST Fund is a capital projects fund. This fund is used to account for the financial resources provided by the Special Local Option Sales Tax. The Special Purpose Local Option Sales Tax is to be used by the City in accordance with the approved projects by the voters.

Proprietary Fund-

Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of operating income and changes in the net position, financial position and cash flow. All assets and liabilities are included on the Statement of Net Position. The City has presented the following major proprietary funds:

Water Fund-

The Water Fund is used to account for the provision of water services to the residents of the City. Activities of the fund include administration, operations and maintenance of the water system and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the funds.

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 funds include the cost of personal and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

C. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured, basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting related to the timing of the measurement made, regardless of the measurement focus applied.

Government-wide and Proprietary Fund Financial Statements - The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using 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. Nonexchange transactions are transactions in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange. Nonexchange transactions include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the year which all eligibility requirements have been satisfied.

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. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, insurance premium tax, franchise taxes, licenses and interest are considered to be susceptible to accrual.

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.

The revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for service, interest income and intergovernmental revenues. Sales taxes collected and held by the state at year end on behalf of the government are also recognized as revenue. All other Governmental Fund Type revenues are recognized when received.

D. Encumbrances

The City does not use encumbrance accounting; under which purchase orders, contracts, and other commitments for the expenditure of moneys are recorded in order to reserve that portion of the applicable appropriation.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

E. Cash, Cash Equivalents, and Investments

Cash and Cash Equivalents - Cash and cash equivalents include amounts in demand and time deposits as well as short-term investments with a maturity date within three months of the date acquired by the City. Cash and cash equivalents are reported on the balance sheets, statements of net position and cash flow statements.

Cash consists of demand and interest-bearing deposits held in banks. All deposits with financial institutions must be collateralized in an amount equal to 110% of uninsured deposits. In lieu of a surety bond, a depository of public funds may pledge as collateral any one or more of the following securities as enumerated in OCGA 50-17-59:

- Bonds, bills, certificates of indebtedness, notes, or other direct obligations of the United States or of the State of Georgia;
- Bonds, bills, certificates of indebtedness, notes, or other direct obligations of the counties or municipalities of the State of Georgia;
- Bonds of any public authority created by Georgia law, if the statue authorizes such use of the bonds and they have been duly validated and there has been no default in the payment of either principal or interest.
- Industrial revenue bonds or bonds of development authorities, created by Georgia law that have been duly validated and for which there has been no default in the payment of either principal or interest; or
- Bond, bills, certificates of indebtedness, notes, or other obligations of a subsidiary corporation of the U.S. government that are fully guaranteed by the U.S. government both as to principal and interest; and debt obligations issued by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Central Bank for Cooperative, the Farm Credit Banks, the Federal Home Loan Mortgage Corporation, and the Federal National Mortgage Association.

For purposes of the statement of cash flows, cash and cash equivalents include all highly liquid investments which original maturities of three months or less.

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, and the reserve for prepaid items has been recognized to signify that a portion of fund balance is not available for other subsequent expenditures.

G. Inventories

Materials purchased are shown as expenditures when acquired and are not inventoried at year end due to the lack of materiality.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

H. Receivables and Payables

All trade and property tax receivables are shown net of an allowance for uncollectible, when material.

I. Property Tax Calendar

Property taxes attach as an enforceable lien on property as of January 1. City property tax revenues are recognized when levied to the extent that they result in current receivable.

Property taxes were levied on January 1, 2018. The assessed values are an approximation of market value as determined by the Brantley County Tax Assessor. Tax bills are mailed at least 60 days prior to the due date. For the current year the mail date was of October 15, 2018. For the year ended December 31, 2018, the collection period was October 15, 2018 thru December 31, 2018.

A Special Local Option Sales Tax is in force. Proceeds for this tax are remitted to the City monthly and is utilized to give property tax owners tax relief.

J. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Property, plant, and equipment, except for infrastructure, with individual costs that equal or exceed $1,000 are recorded as capital assets. Infrastructure with an individual cost that is equal to or exceeds $5,000 is recorded as a capital asset. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, net of related interest earned, is included as part of the capitalized value of the assets constructed.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Infrastructure	20-35
Building and improvements	20-50
Water and sewer distribution system	20-50
Vehicles	4
Furniture and fixtures	10
Equipment	10
Computer equipment	5
Heavy machinery	5

Pursuant to GASB Statement No. 34, Phase 3 governments are not required to report major general infrastructure assets retroactively. As a result, the governmental activities column in the government-wide financial statements does not reflect those infrastructure asset projects completed before January 1, 2003. However, they do not reflect those assets that were either completed during the year or considered construction in progress at year end.

K. Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefit Amounts

No liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated annual vacation. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. Governmental activities compensated absences balances are liquidated through the General Fund. The expenses are recognized as benefits are paid.

L. Fund Equity

The City implemented GASB Statement No. 54, Fund Balance *Reporting and Governmental Fund Type Definitions*. This standard changed the overall definitions and classifications of governmental fund balances.

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Governmental Fund Balances

Generally, governmental fund balance represents the difference between the assets and liabilities under the current financial resources measurement focus of accounting. Governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those resources can be spent. Fund balances are classified as follows:

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Nonspendable--Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

Restricted--Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Committed--Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through the adoption of a resolution. Only the City Council may modify or rescind the commitment.

Assigned--Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Throuh resonution, The City Council has authorized the City Clerk to assign fund balances.

Unassigned--Fund balances are reported as unassigned when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

Fund Balance 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

Net Position

As noted previously, equity for government-wide and proprietary fund financial statements is classified as net position, and displayed in three components:

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Invested in Capital Assets--consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by outstanding balances of any bonds, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position--Consists of net position with constraints placed on the use either by (a) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislation. Net position are reported as restricted using the sale defination as used for restricted fund balance as described in the section above.

Unrestricted net position--All other net position that do not meet the defination of "restricted" of "invested in capital assets."

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Deficit Fund Balance:
The City had no material deficit fund balances at December 31, 2018.

B. Excess of expenditures over appropriations in individual departments:

The General Fund had expenditures over appropriations:

Department	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget
General Government:				
Administration	$ 144,918	$ 144,918	$ 166,577	$ (21,659)
Public Safety:				
Police	184,868	184,868	215,262	(30,394)
Public Works:				
Street	78,400	78,400	79,464	(1,064)

The SPLOST Fund had expenditures over appropriation

Public Works	45,500	45,500	73,598	(28,098)

The Special Revenue Fund had expenditures oveer Appropriations:

Mobile Home Park				
Community Devel	$ -	$ -	$ 11,880	$(11,880)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

NOTE 3. DEPOSITS AND INVESTMENTS

Deposits and Investments

Statutes impose various restrictions on deposits and investments. These restrictions are summarized below.

Deposits: All deposits with financial institutions must be collateralized in an amount equal to 110% of uninsured deposits. A trust department must hold the collateral. During the year, the value of the collateralized property was 110% or more of insured deposits.

Investments: The City is authorized to make direct investments in U.S. government, federal agency, and instrumentality obligations. In addition, the City may invest in investment-grade bonds, commercial paper rated A-1 by Standard & Poor, or P-1 by Moody's Commercial Paper Record, repurchase agreements, and the state treasurer's investment pool. When repurchase agreements are executed, the fair value of the securities must equal or exceed the cost of the repurchase agreement.

NOTE 4. RECEIVABLES AND PAYABLES

Receivables

Receivables at December 31, 2018 were as follows:

	Accounts	Taxes	Due from Other Gov't	Other	Interest	Total
Governmental activities:						
General	$ 4,765	$ 7,375	$ 21,264	$ 22,850	$ -	$ 56,254
Capital project	-	-	8,500	-	-	8,500
Special revenue	2,251	-	-	-	-	2,251
Total governmental activities	$ 7,016	$ 7,375	$ 29,764	$ 22,850	$ -	$ 67,005
Business-type activities:						
Water	$ 6,184	$ -	$ -	$ -	$ -	$ 6,184
Total business-type activities	$ 6,184	$ -	$ -	$ -	$ -	$ 6,184

Payables at December 31, 2018 were as follows:

Governmental activities:	Vendors	Accruals Payroll Deduct	Accrued Interest	Other	Total Payables
General	$ 4,316	$ 4,133	$ -	$ -	$ 8,449
Capital project	5,942	-	-	-	5,942
Special revenue	-	-	-	-	-
Total governmental activities	$ 10,258	$ 4,133	$ -	$ -	$ 14,391
Business-type activities:					
Water	$ 1,326	$ -	$ -	$ -	$ 1,326
Total business-type activities	$ 1,326	$ -	$ -	$ -	$ 1,326

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018 was as follows:

Primary Government

Governmental activities--Net Position Invested in Capital Assets:

	Beginning Balance	Increase	Decrease	Ending Balance
Not being depreciated:				
Land	$ 115,550	$ -	$ -	$ 115,550
Being depreciated:				
Buildings	363,962	-	-	363,962
Equipment	378,722	-	-	378,722
Infrastructure	399,254	92,723	-	491,977
Totals	1,141,938	92,723	-	1,234,661
Less accumulated depreciation for:				
Buildings	133,079	10,137	-	143,216
Equipment	335,651	4,184	-	339,835
Infrastructure	36,431	8,480	-	44,911
Totals	505,161	22,801	-	527,962
Depreciable-net	636,777	69,922	-	706,699
Investment in capital assets	752,327	69,922	-	822,249
Leases Payable	-	-	-	-
Note Payable	21,182	-	10,385	10,797
Totals	21,182	-	10,385	10,797
Net Investment in Capital Assets	$ 731,145			$ 811,452

Current year increases in the accumulated depreciation of the capital assets were allocated to the governmental functional activities as follows:

General government	$ 3,478
Public Safety	3,671
Public Works	15,652
Total	$ 22,801

NOTE 5. CAPITAL ASSETS (CONT'D)

Business-type activities-Net Position Invested in Capital Assets:

	Beginning Balance	Increase	Decrease	Ending Balance
Not being depreciation:				
Construction	$ -	$ -	$ -	$ -
Land	3,687	-	-	3,687
Total	3,687	-	-	3,687
Being depreciated:				
Buildings	4,108	-	-	4,108
System Improvements	1,255,642	3,990	-	1,259,632
Total	1,259,750	3,990	-	1,263,740
Less accumulated depreciation for:				
Buildings	4,108	-	-	4,108
Systems Improvements	485,184	17,500	-	502,684
Total	489,292	17,500	-	506,792
Depreciable-net	770,458	-	-	756,948
Investment in capital assets	774,145	-	-	760,635
Notes Payable	-	-	-	-
Capital Leases	-	-	-	-
Revenue Bonds	-	-	-	-
Total	-	-	-	-
Investment in Capital Assets	$ 774,145	$ -	$ -	$ 760,635

Note 5 A Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports 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 (expenses/expenditures) until then. The City reports the deferred charge of $0.00. reported in the government-wide statement of net position .

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports two of these items. One item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue in the amount of $10,985. This amount are deferred and recognized as an inflow of resources in the period that the amounts become available.

The first item, property taxes, are reported as deferred inflows of resources since they are recognized as receivables before the period for which the taxes are levied.

The second item, Local Option Sales Tax, are reported as deferred inflows of resources since they are recognized as receivables before the period for which the funds are received.

The third item, Special Local Option Sales Tax, are reported as deferred inflows of resources since they are recognized as receivables before the period for which the funds are received.

These funds are reported as follows:

Fund	Amount
General:	
Property taxes	$ 1,050
Local option sales taxes	7,085
Total General Fund	$ 8,135
SPLOST Fund	2,850
Total	$ 10,985

NOTE 6. INTERFUND BALANCES AND ACTIVITY

Interfund Balances

Interfund balances at December 31, 2018 consist of the following:

Transfer to/from Other Funds

Transfer Out	Transfers In			
Governmental Funds	Capital Project		Nonmajor	Totals
General Fund	$ -	$ -	$ -	$ -
Special Revenue funds	-	-	-	-
Totals	$ -	$ -	$ -	$ -

NOTE 7. LONG-TERM OBLIGATIONS

Governmental Activities

Changes in long-term obligations for the year ended December 31,2018 are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within one Year
Governmental Activities:					
Capital Lease Obligations	$ -	-	-	-	$ -
Note Payable	$ 21,182	-	10,385	10,797	$ 10,797
Total Governmental Activities	$ 21,182	$ -	$ 10,385	$ 10,797	$ 10,797

NOTE 7. LONG-TERM OBLIGATIONS

Governmentsl Activities:

Capital Lease:

Note Payable:

The City entered into a Note with United States Department of Agriculture on November 17, 2014 for the, Police Department to purchase two Ford Police Cars. The original prinicpal portion of the note $50,000. The repayment is as follows $11,232.00 due annually for 5 equal payments. The vehicles are being depreciated as follows: Original cost $75,000.00, Accumulated Depreciation of $45,476.00 for a remaining Book Value of $29,524.00. The amortization of the note is as follows:

Year Ended	Principal	Interest	Total Princ & Interest
2/1/2019	10,797	432	$ 11,229
2/1/2020	-	-	-
2/1/2021	-	-	-
2/1/2022	-	-	-
2/1/2023	-	-	-
02/01/2024-2028	-	-	-
02/01/2029-2033	-	-	-
Totals	10,797	432	11,229

NOTE 7. LONG-TERM OBLIGATIONS

Business Type Activities

Water					
Notes Payable	$ -	-	-	-	$ -
Total Business Type Activities	$ -	-	-	-	$ -

NOTE 7. LONG-TERM OBLIGATIONS (CONT'D)

Capitalization of Interest

Interest costs incurred in the Water Fund during construction are capitalized, net of interest income from the proceeds of related tax exempt debt, as part of the cost of the related assets of the Water Enterprise Fund.

Interest costs on long-term incurred and capitalized during the year ended December 31, 2018 were as follows:

	Total Interest Costs Incurred	Interest Costs Capitalized	Net Interest Expense
Business-type activities:			
Water Fund	$ -	$ -	$ -
Totals	$ -	$ -	$ -

NOTE 8. RETIREMENT BENEFITS

The City has established a Defined Contribution Plan that is available to eligible city employees, pursuant to Federal legislation permitting such plans. The plan is administered by Nationwide Retirement Solutions, Inc. The 2018 covered payroll was $245,175 and the total 2018 payroll was $245,175. The plan is open to all full time employees with more than one year service.

Employees are 100% vested in the City contribution after seven years of service. The contribution for 2018 to the City funded plan was $5,319 which was 2.1% of the covered payroll.

Employees do not contribute to this plan and the City does not have a required contribution. Contributions are established by the City council on an annual basis.

NOTE 9. COMMITMENTS AND CONTINGENCIES

Contingent Liabilities

The City participates in a number of federal and state assisted grant programs. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. The amount, if any, of disallowed expenditures discovered in future audits is expected to be immaterial.

Litigation

Based on the advice of the City attorney, there were no material claims outstanding against the City at December 31, 2018.

The City has assumed direct liability for its unemployment compensation claims. The experience rate for the City is immaterial in relation to the size of its payroll. Future claims would not have a material effect on the financial statements of the City. Therefore, no liability has been accrued.

NOTE 10. RISK MANAGEMENT

The City's risk management is associated with the following risks employee life, health, property, and liability, worker's compensation, unemployment, and disability.

Significant losses are covered by commercial insurance for all major programs except unemployment which is covered by the City's participation in the States Unemployment insurance program. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

The City of Hoboken is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The City joined the Georgia Interlocal Risk Management Agency. This membership to share liability, crime, motor vehicle and property damage risks.

NOTE 10. RISK MANAGEMENT (CONT'D)

Coverage of follows:

COVERAGE DESCRIPTION - PROPERTY:	
Buildings and Contents	$ 245,175
Automobile Physical Damage	Per application on file with GIRMA
COVERAGE DESCRIPTION - CASUALTY:	
Comprehensive General Liability and Law Enforcement Liability	$ 600,000
Automobile Liability	$ 600,000
Errors and Omissions (Public Officials) Liability	$ 600,000
Employee Benefits Liability	$ 600,000
COVERAGE DESCRIPTION - CRIME:	
Blanket Bond	$ 500,000
Depositors Forgery	$ 500,000
Money in Securities Loss Inside of Premises	$ 500,000
Loss Outside of Premises	$ 500,000
DEDUCTIBLE:	
All coverage's are subject to a per occurrence deductible of	$ 1,000

NOTE 10. RISK MANAGEMENT (CONT'D)

Chapter 85 of Title 36 of the Official Code of Georgia Annotated authorizes Georgia municipalities to form interlocal risk management agencies. The Georgia Interlocal Risk Management Agency (GIRMA) is a municipal interlocal risk management agency to function as an unincorporated non-profit instrumentality of its member municipalities - GIRMA establishes and administers one or lessen the incident and severity of casualty and property losses occurring in the operation of municipal government. GIRMA is to defend and protect in accordance with the member government contract and related coverage descriptions any member of GIRMA against liability of loss.

The City of Hoboken must participate at all times in at least one fund which is established by GIRMA. Other responsibilities of the City are as follows:

To pay all contributions, assessments or other sums due to GIRMA at such times and in such amounts as shall be established by GIRMA.

To select a person to serve as a Member representative.

To allow GIRMA and its agents reasonable access to all facilities of the City and all records, including but not limited to financial records, which relate to the purposes of GIRMA.

To allow attorneys appointed by GIRMA 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 Fund or Funds established by GIRMA.

To assist and cooperate in the defense and settlement of claims against the City.

To furnish full cooperation to GIRMA's attorneys, claims adjusters, Service Company, and any agent, employee, officer or independent contractor of GIRMA relating to the purposes of GIRMA.

To follow all loss reduction and prevention procedures established by GIRMA.

To furnish to GIRMA such budget, operating and underwriting information as may be requested.

To report as promptly as possible, and in accordance with any Coverage Descriptions issued, all incidents which could result in GIRMA or any Fund established by GIRMA being required to pay claim for loss or injuries to municipal property or injuries to persons or property when such loss or injury is within the scope of the protection of a Fund or Funds in which the City participates.

NOTE 10. RISK MANAGEMENT (CONT'D)

The City of Hoboken retains the first $1,000 of each risk of loss in the form of deductible. The City files all claims with GIRMA. GIRMA bills the City for any risk of loss up to the $1,000 deductible.

The basic for estimating the liabilities for unpaid claims is "IBNR" established by an actuary.

Pursuant to Title 34, Chapter 9, Article 5 of the Official Code of Georgia Annotated, the City of Hoboken became a member of the Georgia Municipal Association Workers' Compensation Self Insurance Fund. The effective date membership was December 1, 1986. The liability of the fund to the employees of any employer (City of Hoboken) is specifically limited to such obligations as are imposed by applicable state laws against the employer for workers' compensation and/or employer's liability.

As part of these risk pools, the City is obligated to pay all contributions and assessments as described by the pools. To cooperate with the pool's agents and attorneys. To follow loss reduction procedures established by 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 litigations arising out of any claim made against the City within the scope of loss protection furnished by the funds.

The Fund is to defend, in the name of and on behalf of the members, any suits or other proceedings which may at any time be instituted against them on account of injuries or death within the preview of the Workers' Compensation Law of Georgia, or on the basis of employer's liability, including suits or other proceedings alleging such injuries and demanding or compensation therefore, although such suits, other proceedings, allegations or demands be wholly groundless, false or fraudulent. The Fund is to pay all costs 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.

NOTE 11. COMMITMENTS AND CONTINGENCIES:

Litigation:

According to the City Attorney, the City is not involved in any litigation as of December 31, 2017.

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.

NOTE 12. JOINT VENTURES

Southern Georgia Regional Commission:

The City of Hoboken, Georgia, along with the cities and counties in the Southern Georgia area is a member of the Southen Georgia Regional Commission (SGRC). Membership in an SGRC is automatic for each municipality and county in the state. The Official code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provided for the organizational structure of theSGRC. Each county and municipality in the state is required by law to pay minimum annual dues to the SGRC. The Board is comprised of not less than two (2) or more than five (5) representatives of each member county served by the SGRC. The manner of selecting such representatives from each member county is as follows:

> The chief elected official or the Chair of the Board of Commissioners of each county served by the Center shall be a member (or a designated government Official).
>
> One elected or appointed municipal government official from each city served by the Center. The mayors of the municipal government official from each served by the municipal representative of that city.
>
> Not less than ten (10) of more than twenty (20) public members.
>
> A minority representation, the percentage of which is at least equal to the minority population of the geographical region served by the Board, as established by the latest United States Census.

The Georgia Planning Act of 1989 (OCGA 50-8-34) defines SGRC's as "public agencies and instrumentalities of their member". Georgia laws also provide that the member governments are liable for any debts of obligations of an SGRC beyond its resources. (OCGA 50-8-39.1)

Complete financial statements of the Southern Georgia Regional commission can be obtained directly from the SGRC's administrative office at 3395 Harris Road, Waycross, GA 31503.

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

City of Hoboken, Georgia
Budgetary Comparison Schedule--General Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts (Budgetary	Variance with
	Original	Final	Basis)	Final Budget
Revenues:				
Taxes	$ 297,268	$ 297,268	$ 304,670	$ 7,402
Licenses and permits	4,500	4,500	9,064	4,564
Fines and forfeitures	110,000	110,000	141,302	31,302
Charges for services	2,000	2,000	2,072	72
Intergovernmental	5,500	5,500	5,734	234
Other	500	500	641	141
Contributions	2,000	2,000	2,500	500
Interest received	450	450	472	22
Total revenues	422,218	422,218	466,455	44,237
Expenditures:				
Current:				
General government:				
Administration	144,918	144,918	166,577	(21,659)
Public safety:				
Police	184,868	184,868	215,262	(30,394)
Fire department	2,800	2,800	2,052	748
Public works:				
Street	78,400	78,400	79,464	(1,064)
Capital Outlay	-	-	-	-
Debt Service				
Principal	10,385	10,385	10,385	-
Interest	847	847	847	-
Total Expenditures	422,218	422,218	474,587	(52,369)
Excess of revenues over (under) expenditures before other financing sources (uses)	-	-	(8,132)	(8,132)

City of Hoboken, Georgia
Budgetary Comparison Schedule--General Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts (Budgetary	Variance with
	Original	Final	Basis)	Final Budget
Other Financing Sources (Uses)				
Contingencies	-	-	-	-
Sale of Capital Assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing Sources (Uses)	-	-	-	-
Net change in fund balance	$ -	$ -	(8,132)	$ (8,132)
Fund balance beginning			80,085	
Fund balance ending			$ 71,953	

City of Hoboken, Georgia
Notes to Required Supplementary Information
For the Year Ended December 31, 2018

The City Charter established the year as the twelve-month period beginning January 1. The departments submit to the City Clerk a budget of estimated expenditures for the ensuing fiscal year after which the City Clerk subsequently submits a budget of estimated expenditures and revenues to the city Council by October 15.

The City follows these procedures in establishing budgetary data reflected in the financial statements:

1. Prior to October 1, the City Clerk and the Council prepare a proposed budget for the year commencing January 1.

2. The City Clerk and Council present the proposed budget at a public hearing.

3. Public hearings are held to obtain taxpayer's comments.

4. The budget is legally enacted through the passage of a resolution.

5. All revisions to the budget must be submitted to the city Council for approval.

6. budgetary appropriations lapse at the end of the year.

7. The budget is prepared and adopted on a basis consistent with generally accepted accounting principles. An annual budget is adopted for the General fund, Special Revenue funds. A project length budget is adopted for all Capital Projects Funds. An operating budget is prepared for each Enterprise fund for planning, control, cost allocation, and evaluation purposes. Budgetary amounts are formally integrated into the general ledgers.

Expenditures exceeded appropriations:

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
General government:				
Administration	144,918	144,918	166,577	(21,659)
Public safety:				
Police	184,868	184,868	215,262	(30,394)
Public works:				
Street	78,400	78,400	79,464	(1,064)

Major Capital Project Fund

The Capital Project Fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary or trust funds.

The City's Major Capital Project funds are as follows:

SPLOST Fund

City of Hoboken, Georgia
SPLOST Fund
Schedule of Revenues, Expenditures, and Charges in Fund Balance - Budget and Actual
For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
REVENUES				
Intergovernmental	$ 45,500	$ 45,500	$ 34,099	$ (11,401)
Other Revenue	-	-	-	-
Interest	-	-	-	-
Total Revenues	45,500	45,500	34,099	(11,401)
EXPENDITURES				
Current:				
Public Safety	-	-	-	-
Public Works	45,500	45,500	73,598	(28,098)
Total Expenditures	45,500	45,500	73,598	(28,098)
Excess (deficiency) of revenues over (under) expenditures	-	-	(39,499)	(39,499)
Net charge in Fund Balance	-	-	(39,499)	(39,499)
Fund balance beginning			112,534	
Fund balance ending			$ 73,035	

Governmental Funds

Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS

Special Revenue Funds: account for proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Mobile Home Park - To account for the operations of the Mobile Home Park.
Community Center - To account for the operations of the Community Center.

CAPITAL PROJECT FUNDS

DOT LMIG Fund: To account for the revenues and expenditures of the DOT funds in accordance with the directive.

Transportation SPLOST--To account for Transportation Capital Projects financed by the Transportation Special Local Option Sales Tax in accordance with enabling legislation.

City of Hoboken, Georgia
All Nonmajor Governmental Funds
Combining Balance Sheets
December 31, 2018

Assets	Governmental Funds: Special Revenue	Governmental Funds: Capital Project	Total Nonmajor Governmental Funds
Cash	$ 37,920	$ 21,766	$ 59,686
Receivables	2,251	-	2,251
Total Assets	$ 40,171	$ 21,766	$ 61,937
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	$ -	$ -	$ -
Total Liabilities	-	-	-
Fund Balances			
Restricted:			
Public Works		21,766	21,766
Assigned:			
Community Development	40,171	-	40,171
Total Fund Balances	40,171	21,766	61,937
Total Liabilities and Fund Balances	$ 40,171	$ 21,766	$ 61,937

City of Hoboken, Georgia
All Nonmajor Governmental Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2018

	Governmental Funds		Total Nonmajor Governmental Funds
	Special Revenue	Capital Project	
Revenues			
Rental	$ 13,670	$ -	$ 13,670
Intergovernmental	-	20,549	20,549
Other	-	-	-
Interest	42	-	42
Total Revenues	13,712	20,549	34,261
Expenditures			
Current:			
Public Safety	-	-	-
Public Works	8,161	118	8,279
Community Development	11,880	-	11,880
Capital Outlay:			
Public Works	-	19,125	19,125
Total Expenditures	20,041	19,243	39,284
Excess (deficiency) of revenues over (under) expenditures before other sources (uses)	(6,329)	1,306	(5,023)
Other Financing Sources (Uses)			
Transfers In	-	-	-
Transfers (Out)	-	-	-
Total other financing sources (Uses)	-	-	-
Net charge in Fund balances	(6,329)	1,306	(5,023)
Fund balance beginning	46,500	20,460	66,960
Fund balance ending	$ 40,171	$ 21,766	$ 61,937

NON-MAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenue sources (other than fiduciary funds or capital project funds) that are legally restricted to expenditures for particular purposes.

The City's Non-Major Special Revenue Funds are as follows:

Mobile Home Park
Community Center

NON-MAJOR SPECIAL REVENUE FUNDS

Mobile Home Park: To account for the for the rental of and maintenance of the lots at the mobile home park.

Community Center: To account for the for the rental of and maintenance of the community center.

Non-Major Special Revenue Funds

City of Hoboken, Georgia
All Nonmajor Special Revenue Funds
Combining Balance Sheet
December 31, 2018

	Mobile Home Park	Community Center	Total Nonmajor Special Revenue Funds
ASSETS			
Cash	$ 14,909	$ 23,011	$ 37,920
Receivable - Other	2,251	-	2,251
TOTAL ASETS	$ 17,160	$ 23,011	$ 40,171
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts Payable and accruals	$ -	$ -	$ -
Due to Others	-	-	-
Deferred Revenues	-	-	-
TOTAL LIABILITIES	-	-	-
FUND BALANCES			
Assigned:			
Community Development	17,160	23,011	40,171
TOTAL FUND BALANCES	17,160	23,011	40,171
TOTAL LIABILITIES & FUND BALANCE	$ 17,160	$ 23,011	$ 40,171

City of Hoboken, Georgia
All Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2018

	Mobile Home Park	Community Center	Total Nonmajor Special Revenue Funds
REVENUES			
Rental	$ 6,715	$ 6,955	$ 13,670
Other revenue	-	-	-
Interest	42	-	42
TOTAL REVENUES	6,757	6,955	13,712
EXPENDITURES			
Current:			
Administritive	-	-	-
Public Works	3,850	4,311	8,161
Culture & Recreation	-	-	-
Community Development	11,880	-	11,880
Capital Outlay:			
General Government	-	-	-
Public Safety	-	-	-
Public Works	-	-	-
Debt Service			
Principal	-	-	-
Interest	-	-	-
TOTAL EXPENDITURES	15,730	4,311	20,041
Excess (Deficiency) of Revenues over (under) Expenditures	(8,973)	2,644	(6,329)
OTHER FINANCIAL SOURCES (USES)			
Proceeds from capital leases	-	-	-
Operating Transfer In	-	-	-
Operating Transfers (Out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-

City of Hoboken, Georgia
All Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2018

	Mobile Home Park	Community Center	Total Nonmajor Special Revenue Funds
Excess Revenues Over (under) Expenditures and Other Financial Sources (uses)	(8,973)	2,644	(6,329)
NET CHARGE IN FUND BALANCES	(8,973)	2,644	(6,329)
FUND BALANCE BEGINNING	26,133	20,367	46,500
FUND BALANCE ENDING	$ 17,160	$ 23,011	$ 40,171

City of Hoboken, Georgia
Mobile Home Park
Balance Sheet
December 31, 2018

ASSETS		
Cash	$	14,909
Receivable		2,251
TOTAL ASSETS	$	17,160
Liabilities and		
Fund Balance		
Liabilities		
Accounts Payable	$	-
TOTAL LIABILITIES		-
Fund Balances		
Assigned:		
Community Development		17,160
Total Fund Balances		17,160
Total Liabilities and Fund Balances	$	17,160

City of Hoboken, Georgia
Mobile Home Park
Schedule of Revenues, Expenditures, and Charges in Fund Balance - Budget and Actual
For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
REVENUES				
Rent & Late Charges	$ 5,100	$ 5,100	$ 6,715	$ 1,615
Other Revenue	-	-	-	-
Interest	-	-	42	42
Total Revenues	5,100	5,100	6,757	1,657
EXPENDITURES				
Current:				
Public Safety	-	-	-	-
Public Works	5,100	5,100	3,850	1,250
Community Development	-	-	11,880	(11,880)
Total Expenditures	5,100	5,100	15,730	(10,630)
Excess (deficiency) of revenues over (under) expenditures before other sources (uses)	-	-	(8,973)	(8,973)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers (Out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net charge in Fund Balance	$ -	$ -	(8,973)	$ (8,973)
Fund balance beginning			26,133	
Fund balance ending			$ 17,160	

City of Hoboken, Georgia
Community Center
Balance Sheet
December 31, 2018

ASSETS	
Cash	$ 23,011
Receivable	-
TOTAL ASSETS	$ 23,011
Liabilities and	
Fund Balance	
Liabilities	
Accounts Payable	$ -
TOTAL LIABILITIES	-
Fund Balances	
Assigned:	
Community development	23,011
Total Fund Balances	23,011
Total Liabilities and Fund Balances	$ 23,011

City of Hoboken, Georgia
Community Center
Schedule of Revenues, Expenditures, and Charges in Fund Balance - Budget and Actual
For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
REVENUES				
Rent	$ 8,500	$ 8,500	$ 6,955	$ (1,545)
Other Revenue	-	-	-	-
Interest	-	-	-	-
Total Revenues	8,500	8,500	6,955	(1,545)
EXPENDITURES				
Current:				
Public Safety	-	-	-	
Public Works	8,500	8,500	4,311	4,189
Total Expenditures	8,500	8,500	4,311	4,189
Excess (deficiency) of revenues over (under) expenditures before other sources (uses)	-	-	2,644	2,644
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers (Out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net charge in Fund Balance	$ -	$ -	2,644	$ 2,644
Fund balance beginning			20,367	
Fund balance ending			$ 23,011	

NON-MAJOR CAPITAL PROJECT FUNDS

Caital Project Funds are used to account for specific revenue sources (other than fiduciary funds or Special Revenue funds) that are legally restricted to expenditures for particular purposes.

The City's Non-Major Capital Project Funds are as follows:

DOT LMIG
Transporation SPLOST

NON-MAJOR CAPITAL PROJECT FUNDS

DOT LMIG: To account for the for the road project paid for out of the Revenue from the Georgia Department of Transporation

Transporation SPLOST: To account for the road projects paid for out of the Transporation SPLOST money.

Non-Major Capital Project Funds

City of Hoboken, Georgia
All Nonmajor Capital Projct Funds
Combining Balance Sheet
December 31, 2018

	DOT LMIG	Transporation SPLOST	Total Nonmajor Capital Project Funds
ASSETS			
Cash	$ 19,055	$ 2,711	$ 21,766
Receivable - Other	-	-	-
TOTAL ASETS	$ 19,055	$ 2,711	$ 21,766
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts Payable and accruals	$ -	$ -	$ -
Due to Others	-	-	-
Deferred Revenues	-	-	-
TOTAL LIABILITIES	-	-	-
FUND BALANCES			
Restricted:			
Capital Projcts Public Works	19,055	2,711	21,766
TOTAL FUND BALANCES	19,055	2,711	21,766
TOTAL LIABILITIES & FUND BALANCE	$ 19,055	$ 2,711	$ 21,766

City of Hoboken, Georgia
All Nonmajor Capital Project Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2018

	DOT LMIG	Transporation SPLOST	Total Nonmajor Capital Project Funds
REVENUES			
Intergovernmental	$ 17,720	$ 2,829	$ 20,549
Other revenue	-	-	-
Interest	-	-	-
	-		
TOTAL REVENUES	17,720	2,829	20,549
EXPENDITURES			
Current:			
Administritive	-	-	-
Public Works	-	118	118
Culture & Recreation	-	-	-
Other	-	-	-
Capital Outlay:			
General Government	-	-	-
Public Safety	-	-	-
Public Works	19,125	-	19,125
Debt Service			
Principal	-	-	-
Interest	-	-	-
TOTAL EXPENDITURES	19,125	118	19,243
Excess (Deficiency) of Revenues over (under) Expenditures	(1,405)	2,711	1,306
OTHER FINANCIAL SOURCES (USES)			
Proceeds from capital leases	-	-	-
Operating Transfer In	-	-	-
Operating Transfers (Out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-

City of Hoboken, Georgia
All Nonmajor Capital Project Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2018

	DOT LMIG	Transporation SPLOST	Total Nonmajor Capital Project Funds
Excess Revenues Over (under) Expenditures and Other Financial Sources (uses)	(1,405)	2,711	1,306
NET CHARGE IN FUND BALANCES	(1,405)	2,711	1,306
FUND BALANCE BEGINNING	20,460	-	20,460
FUND BALANCE ENDING	$ 19,055	$ 2,711	$ 21,766

City of Hoboken, Georgia
DOT LMIG Fund
Balance Sheet
December 31, 2018

ASSETS	
Cash	$ 19,055
Receivable	-
TOTAL ASSETS	$ 19,055
Liabilities and	
Fund Balance	
Liabilities	
Accounts Payable	$ -
TOTAL LIABILITIES	-
Fund Balances	
Restricted:	
DOT LMIG	19,055
Total Fund Balances	19,055
Total Liabilities and	
Fund Balances	$ 19,055

City of Hoboken, Georgia
DOT LMIG Fund
Schedule of Revenues, Expenditures, and Charges in Fund Balance - Budget and Actual
For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
REVENUES				
Intergovernmental	$ 20,000	$ 20,000	$ 17,720	$ (2,280)
Other Revenue	-	-	-	-
Interest	-	-	-	-
Total Revenues	20,000	20,000	17,720	(2,280)
EXPENDITURES				
Current:				
Public Safety	-	-	-	-
Public Works	-	-	-	-
Capital Outlay	20,000	20,000	19,125	875
Total Expenditures	20,000	20,000	19,125	875
Excess (deficiency) of revenues over (under) expenditures	-	-	(1,405)	(1,405)
Net charge in Fund Balance	$ -	$ -	(1,405)	$ (1,405)
Fund balance beginning			20,460	
Fund balance ending			$ 19,055	

City of Hoboken, Georgia
Transporation SPLOST
Balance Sheet
December 31, 2018

ASSETS	
Cash	$ 2,711
Receivable	-
TOTAL ASSETS	$ 2,711
Liabilities and	
Fund Balance	
Liabilities	
Accounts Payable	$ -
TOTAL LIABILITIES	-
Fund Balances	
Restricted:	
Transporation Capital Projects	2,711
Total Fund Balances	2,711
Total Liabilities and Fund Balances	$ 2,711

City of Hoboken, Georgia
Transporation SPLOST
Schedule of Revenues, Expenditures, and Charges in Fund Balance - Budget and Actual
For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
REVENUES				
Intergovernmental	$ 3,000	$ 3,000	$ 2,829	$ (171)
Other Revenue	-	-	-	-
Interest	-	-	-	-
Total Revenues	3,000	3,000	2,829	(171)
EXPENDITURES				
Current:				
Public Safety	-	-	-	-
Public Works	3,000	3,000	118	2,882
Capital Outlay	-	-	-	-
Total Expenditures	3,000	3,000	118	2,882
Excess (deficiency) of revenues over (under) expenditures	-	-	2,711	2,711
Net charge in Fund Balance	$ -	$ -	2,711	$ 2,711
Fund balance beginning			-	
Fund balance ending			$ 2,711	

STATE COMPLIANCE SECTION

SPECIAL REPORTS

The Special Report is applicable to the Special 1 Percent Sales and Use Tax required by the State of Georgia.

Earl A. Lawson, CPA
Certified Public Accountant

INDEPENDENT AUDITORS' REPORT ON SPECIAL 1 PERCENT SALES AND USE TAX

City Council
Hoboken, Georgia

I have audited the accompanying Schedule of Special Purpose Local Option Sales Tax for the City of Hoboken, Georgia for the year ended December 31, 2018. This schedule is the responsibility of the City of Hoboken, management. My responsibility is to express an opinion on the Schedule of Special Purpose Local Option Sales Tax based on my audit.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the Schedule of Special Local Option Sales Tax is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule of Special Purpose Local Option Sales Tax. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Schedule of Special Purpose Local Option Sales Tax. I believe that my audit provides a reasonable basis for my opinion.

The accompanying Schedule of Special Purpose Local Option Sales Tax was prepared for the purpose of complying with the Official Code of Georgia Annotated, 48-8-121 pm the modified accrual basis of accounting used form the Special Purpose Local Option Sales Tax schedule as described in Note 1-D and is not intended to be a complete presentation of the City of Hoboken's revenues and expenditures.

In my opinion, the Schedule of Special Purpose Local Option Sales Tax referred to above presents fairly, in all material respects, the original estimated cost, the current estimated cost, and the current and prior year expenditures for each project in the City of Hoboken's resolution or ordinance calling for the tax for the year ended December 31, 2018, in conformity with accounting principles generally accepted in the United States of America.

Earl A. Lawson
Certified Public Accountant
Blackshear, Georgia 31516
January 25, 2019

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City of Hoboken, Georgia
Schedule of Projects Constructed With Special Purpose Local Option Sales Tax Proceeds
For the Year Ended December 31, 2018

Project	Total Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
2007					
Public Works:					
Roads and Drainage	175,000	162,136	-	162,136	92.65%
TOTAL	175,000	162,136	-	162,136	
2013					
Public Works:					
Roads and Drainage	170,000	94,784	73,598	168,382	99.05%
TOTAL	170,000	94,784	73,598	168,382	
Total Expenditures		256,920	73,598	330,518	

Note (1): Estimated percentage of completion is based on expenditures by the City to date in relation to total estimated expenditures, which have been provided by City management.

City of Hoboken, Georgia
Schedule of Projects Constructed With Special Purpose Local Option Sales Tax Proceeds
For the Year Ended December 31, 2018

Project	Total Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Transporation SPLOST					
Public Works:					
Roads and Drainage	175,000	-	118	118	0.07%
TOTAL	175,000	-	118	118	

Note (1): Estimated percentage of completion is based on expenditures by the City to date in relation to total estimated expenditures, which have been provided by City management.

Earl A. Lawson, CPA
Certified Public Accountant

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*

Independent Auditor's Report

To The City Council
City of Hoboken, Georgia

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hoboken, Georgia, as of and for the year ended December 31, 2018, and the related notes to the financial statements which collectively comprise the City of Hoboken's basic financial statements, and have issued my report thereon dated January 25, 2019.

Internal Control Over Financial Reporting

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

My 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 my audit I did not identify any deficiencies in internal control that I 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 Hoboken's financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my 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 my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Earl A. Lawson, CPA
Blackshear, Georgia
January 25, 2019