CITY OF ARLINGTON, GEORGIA
Arlington, Georgia

Financial Statements
and Supplemental Information

For the Fiscal Year Ended
June 30, 2013

And

Auditor's Report

CITY OF ARLINGTON, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Arlington, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental-activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Arlington, Georgia, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Arlington, Georgia, as of June 30, 2013, 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.

Emphasis of Matter

As described in Note 1 to the financial statements, as of July 1, 2012, the City of Arlington, Georgia adopted new accounting guidance, GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, GASB Statement No. 61, *The Financial Reporting Entity - An Amendment of GASB Statements No. 14 and No. 34*, GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting to Termination Provisions*, and GASB Statement No. 65, *Item Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Arlington, Georgia's basic financial statements. The individual major fund, combining and individual non-major fund, and component unit financial statements and supplemental schedules are

presented for purposes of additional analysis and are not a required part of the basic financial statements. The individual major fund, combining and individual non-major fund, and component unit financial statements and supplementary schedules are the responsibility of management and were derived and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual major fund, combining and individual non-major fund, and component unit financial statements and supplementary schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the City of Arlington, Georgia's basic financial statements for the year ended June 30, 2013, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the remaining fund information. The audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Arlington, Georgia's basic financial statements as a whole. The individual major fund, combining and individual non-major fund, and component unit financial statements, and supplementary information related to the June 30, 2012 financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the June 30, 2012 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual major fund, combining and individual non-major fund, and component unit financial statements and supplemental schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2014, on our consideration of the City of Arlington, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 City of Arlington, Georgia's internal control over financial reporting and compliance.

/s/ Brown & McDaniel, CPAs, LLC

Albany, Georgia
January 8, 2014

BASIC FINANCIAL STATEMENTS

CITY OF ARLINGTON, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2013

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and Cash Equivalents	$ 200,158	$ 164,797	$ 364,955	$ 5,864
Investments	8,374	37,096	45,470	-
Receivables	80,925	21,934	102,859	-
Restricted Assets:				
Cash and Cash Equivalents	-	27,574	27,574	-
Investments	-	69,792	69,792	-
Deposits	-	200	200	-
Capital Assets - Not Being Depreciated	73,631	85,108	158,739	49,030
Capital Assets, Net of Accumulated Depreciation	1,074,558	5,098,152	6,172,710	-
Total Assets	1,437,646	5,504,653	6,942,299	54,894
LIABILITIES				
Accounts Payable	29,996	22,726	52,722	600
Accrued Liabilities	627	-	627	-
Customer Deposits Payable	-	39,153	39,153	-
Non-current Liabilities:				
Due Within One Year	28,452	15,473	43,925	-
Due In More Than One Year	52,183	1,269,602	1,321,785	-
Total Liabilities	111,258	1,346,954	1,458,212	600
NET POSITION				
Net Investment in Capital Assets	1,067,554	3,898,185	4,965,739	49,030
Restricted:				
Special Revenue Projects	-	-	-	5,264
Capital Projects	136,679	-	136,679	-
Unrestricted	122,155	259,514	381,669	-
Total Net Assets	$1,326,388	$ 4,157,699	$ 5,484,087	$ 54,294

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

CITY OF ARLINGTON, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

Functions/Program	Expenses	Program Revenues: Charges For Services	Program Revenues: Grants and Contributions: Operating	Program Revenues: Grants and Contributions: Capital
Governmental Activities:				
General Government	$ 176,655	$ 11,878	$ -	$ -
Public Safety	234,126	11,520	-	-
Public Works	319,214	144,676	17,099	132,881
Housing and Development	300,000	-	300,000	-
Culture and Recreation	29,465	12,041	117,736	-
Interest (Long-Term Debt)	3,435	-	-	-
Total Governmental Activities	1,062,895	180,115	434,835	132,881
Business-Type Activities:				
Water and Sewerage	526,639	317,052	-	-
Total Business-Type Activities	526,639	317,052	-	-
Total Primary Government	$ 1,589,534	$ 497,167	$ 434,835	$ 132,881
Component Units	$ 1,263	$ 1,195	$ 100	$ -

General Revenues:
  Taxes:
    Property Taxes
    Local Option Sales Taxes
    Alcoholic Beverage Taxes
    Insurance Premiums Tax
    Franchise Taxes
    Intangible and Real Estate Transfer Taxes
  Interest Earnings
  Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year (Restated)

Net Position - End of Year

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

CITY OF ARLINGTON, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Units
$ (164,777)	$ -	$ (164,777)	$ -
(222,606)	-	(222,606)	-
(24,558)	-	(24,558)	-
-	-	-	-
100,312	-	100,312	-
(3,435)	-	(3,435)	-
(315,064)	-	(315,064)	-
-	(209,587)	(209,587)	-
-	(209,587)	(209,587)	-
(315,064)	(209,587)	(524,651)	-
-	-	-	32
163,601	-	163,601	-
106,582	-	106,582	-
17,540	-	17,540	-
73,684	-	73,684	-
77,102	-	77,102	-
706	-	706	-
1,461	3,760	5,221	51
16,063	-	16,063	-
(116,645)	116,645	-	-
340,094	120,405	460,499	51
25,030	(89,182)	(64,152)	83
1,301,358	4,246,881	5,548,239	54,211
$ 1,326,388	$ 4,157,699	$ 5,484,087	$ 54,294

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

CITY OF ARLINGTON, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

	General	Special Revenue CHIP	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	$ 72,810	$ 1	$ 127,347	$ 200,158
Investment	8,374	-	-	8,374
Receivables	71,605	-	9,320	80,925
Due From Other Funds	1	-	12	13
Total Assets	152,790	1	136,679	289,470
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	29,996	-	-	29,996
Accrued Liabilities	627	-	-	627
Due to Other Funds	12	1	-	13
Total Liabilities	30,635	1	-	30,636
Fund Balances:				
Restricted	-	-	136,679	136,679
Assigned	48,745	-	-	48,745
Unassigned	73,410	-	-	73,410
Total Fund Balances	122,155	-	136,679	258,834
Total Liabilities and Fund Balances	$ 152,790	$ -	$ 136,679	

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	1,148,189
Long-Term Liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	(80,635)
Net Position of Governmental Activities	$ 1,326,388

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

CITY OF ARLINGTON, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	General	Special Revenue CHIP	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	$ 439,215	$ -	$ -	$ 439,215
Licenses and Permits	11,878	-	-	11,878
Fines and Forfeitures	11,520	-	-	11,520
Charges for Services	144,676	-	-	144,676
Intergovernmental	134,835	300,000	132,019	566,854
Miscellaneous	29,565	-	862	30,427
Total Revenues	771,689	300,000	132,881	1,204,570
EXPENDITURES				
Current:				
General Government	161,468	-	-	161,468
Public Safety	196,865	-	-	196,865
Public Works	278,379	-	-	278,379
Housing and Development	-	300,000	-	300,000
Culture and Recreation	151,081	-	-	151,081
Capital Outlay	-	-	120,554	120,554
Debt Service:				
Principal	-	-	27,480	27,480
Interest	-	-	3,435	3,435
Total Expenditures	787,793	300,000	151,469	1,239,262
Excess (Deficiency) of Revenues Over Expenditures	(16,104)	-	(18,588)	(34,692)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	30,915	30,915
Transfers Out	(45,578)	-	(11,072)	(56,650)
Total Other Financing Sources (Uses)	(45,578)	-	19,843	(25,735)
Net Change in Fund Balances	(61,682)	-	1,255	(60,427)
Fund Balances - Beg of Year	183,837	-	135,424	319,261
Fund Balances - End of Year	$ 122,155	$ -	$ 136,679	$ 258,834

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

CITY OF ARLINGTON, 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 JUNE 30, 2013

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

Net change in fund balances - total governmental funds reported in "Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds"	$ (60,427)
Governmental funds report capital outlays as expenditures. However, in the "Statement of Activities" the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. Details of the amount by which depreciation exceeded capital outlays in the current period are as follows:	
Capital Outlays	155,680
Depreciation Expense	(97,703)
	57,977
Governmental funds report the proceeds of long-term debt as a current financial resource and the repayment of principal as an expenditure of current financial resources. However, in the "Statement of Activities" there is no effect for these transactions. Details of the amount by which long-term debt proceeds exceeded repayments of principal in the current period are as follows:	
Principal Repayments	27,480
Proceeds of Long-Term Debt	-
	27,480
Change in Net Assets of governmental activities reported in the "Statement of Activities"	$ 25,030

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

CITY OF ARLINGTON, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2013

	Business-Type Activities Enterprise Funds	
	Water and Sewerage	Totals Current Year
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 164,797	$ 164,797
Investments	37,096	37,096
Accounts Receivables	21,934	21,934
Restricted Assets:		
Cash and Cash Equivalents	27,574	27,574
Total Current Assets	251,401	251,401
Non-current Assets:		
Restricted Assets - Investments	69,792	69,792
Capital Assets:		
Land and Construction in Progress	85,108	85,108
Other Capital Assets, Net of Accumulated Depreciation	5,098,152	5,098,152
Deposits	200	200
Total Non-current Assets	5,253,252	5,253,252
Total Assets	5,504,653	5,504,653
LIABILITIES		
Current Liabilities:		
Accounts Payable	22,726	22,726
Payable from Restricted Assets:		
Revenue Bond - 2009 Series	15,473	15,473
Customer Deposits	39,153	39,153
Total Current Liabilities	77,352	77,352
Long-Term Liabilities:		
Revenue Bond Payable - 2009 Series	1,269,602	1,269,602
Total Long-Term Liabilities	1,269,602	1,269,602
Total Liabilities	1,346,954	1,346,954
NET POSITION		
Net Investment in Capital Assets	3,898,185	3,898,185
Restricted	-	-
Unrestricted	259,514	259,514
Total Net Position	$ 4,157,699	$ 4,157,699

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

CITY OF ARLINGTON, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2013

	Business-Type Activities Enterprise Funds	
	Water and Sewerage	Totals Current Year
OPERATING REVENUES		
Water and Sewerage Charges	$ 297,135	$ 297,135
Cut-On and Tap Fees	11,528	11,528
Penalties and Miscellaneous	8,389	8,389
Total Operating Revenues	317,052	317,052
OPERATING EXPENSES		
Administration and Operations	331,102	331,102
Depreciation	140,575	140,575
Total Operating Expenses	471,677	471,677
Operating (Loss)	(154,625)	(154,625)
NON-OPERATING REVENUES AND EXPENSES		
Interest Income	3,760	3,760
Interest Expense	(54,962)	(54,962)
Total Non-Operating Revenues and Expenses	(51,202)	(51,202)
Net Loss Before Contributions and Transfers	(205,827)	(205,827)
CONTRIBUTIONS		
2007 Arlington SPLOST Fund	42,787	42,787
CDBG Fund	48,123	48,123
Total Contributions	90,910	90,910
TRANSFERS		
Transfers In	30,200	30,200
Transfers Out	(4,465)	(4,465)
Net Transfers	25,735	25,735
Change in Net Position	(89,182)	(89,182)
Net Position - Beg of Year (Restated)	4,246,881	4,246,881
Net Position - End of Year	$ 4,157,699	$ 4,157,699

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

CITY OF ARLINGTON, GEORGIA
STATEMENT OF CASH FLOWS
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
PROPRIETARY FUNDS
JUNE 30, 2013

	Business-Type Activities Enterprise Funds	
	Water and Sewerage	Totals Current Year
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received From Customers	$ 317,024	$ 317,024
Cash Paid To Employees for Services	(51,796)	(51,796)
Cash Paid To Suppliers	(263,562)	(263,562)
Net Cash Provided by Operating Activities	1,666	1,666
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers From Other Funds	30,200	30,200
Transfers To Other Funds	(4,465)	(4,465)
Net Cash Provided by Non-Capital Financing Activities	25,735	25,735
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal Paid on Revenue Bonds	(14,830)	(14,830)
Interest Paid on Revenue Bonds	(54,962)	(54,962)
Net Cash (Used) by Capital and Related Financing Activities	(69,792)	(69,792)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Income	3,760	3,760
Interest Reinvestment-Certificate of Deposit	(2,443)	(2,443)
Certificate of Deposit Redemption	43,035	43,035
Net Cash Provided by Investing Activities	44,352	44,352
Net Increase (Decrease) in Cash and Cash Equivalents	1,961	1,961
Cash and Cash Equivalents - Beg of Year	190,410	190,410
Cash and Cash Equivalents - End of Year	$ 192,371	$ 192,371
RECONCILIATION OF CASH AND CASH EQUIVALENTS ON STATEMENT OF NET ASSETS		
Cash and Cash Equivalents-Current	$ 164,797	$ 164,797
Cash and Cash Equivalents-Restricted	27,574	27,574
Total Cash and Cash Equivalents	$ 192,371	$ 192,371

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

CITY OF ARLINGTON, GEORGIA
STATEMENT OF CASH FLOWS
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
PROPRIETARY FUNDS
JUNE 30, 2013

	Business-Type Activities Enterprise Funds	
	Water and Sewerage	Totals Current Year
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income	$ (154,625)	$ (154,625)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Depreciation Expense	140,575	140,575
Capital Assets Contributed by 2007 SPLOST Fund Not Meeting Capitalization Threshold	10,944	-
(Increase) Decrease in Accounts Receivable	1,669	1,669
Increase (Decrease) in Accounts Payable	4,801	4,801
Increase (Decrease) in Customer Deposits	(1,698)	(1,698)
Total Adjustments	156,291	156,291
Net Cash Provided (Used) by Operating Activities	$ 1,666	$ 1,666
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Capital Assets Contributed by 2007 SPLOST Fund	$ 31,843	$ 31,843
Capital Assets Contributed by CDBG Fund	$ 48,123	$ 48,123

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

CITY OF ARLINGTON, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILTIES
JUNE 30, 2013

	Agency Funds
ASSETS	
Cash and Cash Equivalents	$ 737
Total Assets	737
LIABILITIES	
Due to Others	737
Total Liabilities	737
NET ASSETS	$ -

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. INTRODUCTION

The accounting and reporting framework and the more significant accounting principles of the City of Arlington, Georgia (City) are discussed in subsequent sections of this Note. The remaining Notes are organized to provide explanations, including required disclosures, of the City's financial activities for the fiscal year ended June 30, 2013.

B. FINANCIAL REPORTING ENTITY

The accompanying financial statements report on the financial activities of the City, which operates under a mayor and council form of government and provides for the general administration of City functions; citizens public safety; municipal court; public works; health and welfare; culture and recreation; water and sewerage services; and public transportation services.

1. Component Units

Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units and GASB Statement No. 61, The Financial Reporting Entity - An Amendment of GASB Statements No. 14 and No. 34 establishes standards for determining which organizations should be included in the financial reporting entity and for reporting the financial information of those organizations. Generally, a component unit is an organization for which the City is financially accountable and imposes a financial benefit or burden on the City or an organization that must be included as a part of the reporting entity to keep the financial statements from being misleading or incomplete because of the nature or significance of their relationship to the City. Based upon the application of these criteria, the financial activities of the following component unit have been discretely presented to emphasize that it is legally separate from the City.

Arlington Downtown Development Authority - promotes development in the downtown area. The Authority is a legally separate entity, although the Arlington City Council appoints a voting majority of the Authority's governing board, and has the ability to impose its will on the Authority. Separate financial statements of the Arlington Downtown Development Authority are not issued.

2. Related Organizations

Housing Authority of City of Arlington - administers Federal funding and/or other financing for improvement of housing conditions in the City. The five citizens who serve as the governing board are appointed by the mayor and approved by the city council. The city has no significant influence over management, budget, or policies of the Housing Authority of City of Arlington. The Housing Authority of City of Arlington reports independently.

3. Joint Venture

The City, in conjunction with other cities and counties, is a member of the Southwest Georgia Regional Commission (RC). Membership in the RC is automatic for each municipality and county in the state. The Official Code of Georgia Annotated (O.C.G.A.) section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of RDC's. Each county and municipality in the state is required by law to pay minimum annual dues to the RDC. The City of Arlington, Georgia paid $1,479 to the RC for the year ended June 30, 2013. The RC board membership includes the chief elected official of each county and municipality. The county and municipal board members from that county elect one member of the board who is a resident (but not an elected or appointed official or employee of either) to serve as the non-public board member from that county. Complete financial statements of the Southwest Georgia Regional Commission may be obtained at the offices in Camilla, Georgia. The Georgia Planning Act of 1989 (O.C.G.A. 50-8-34) further defines RC's as public agencies and instrumentalities of their members, and as such, provides that member governments are liable for any debts or obligations of an RC beyond its resources (O.C.G.A. 50-8-39.1).

C. BASIS OF PRESENTATION

1. Government-Wide Financial Statements

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information of the City as whole excluding fiduciary activities such as employee pension plans. The primary government and component units are presented separately within the financial statements with the focus on the primary government. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and City general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers. The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program.

A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and programs associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, fines and forfeitures, and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program uses.

Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

2. Fund Financial Statements

Fund financial statements are provided for government, proprietary, and fiduciary funds. Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds.

The City reports the following major governmental funds:

General Fund - reports as the primary fund for the City. This fund is used to account for all financial resources not reported in other funds.

CHIP Special Revenue Fund - reports the activity of the City's Community Home Investment Program Grant for the rehabilitation of ten owner occupied units.

The City reports the following major proprietary funds:

Water and Sewerage Fund - is used to account for the provision of water and sewerage services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service, billing, and collecting.

Additionally, the City reports the following fiduciary fund type:

Arlington Recorders Court - is used to administer the City's municipal court collections and subsequent remittances to appropriate agencies or organizations.

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The financial statements of the City are prepared in accordance with generally accepted accounting principles (GAAP). The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). However, internal eliminations do not include utility services provided to City departments. Reimbursements are reported as reductions to expenses. Proprietary and fiduciary fund financial statements and financial statements of City component units also report using the same focus and basis of accounting, although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied, while grants are recognized when grantor eligibility requirements are met.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The City considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

Major revenue sources susceptible to accrual include: sales and use taxes, hotel/motel taxes, property taxes, franchise taxes, charges for services, intergovernmental revenues, and investment income. In general, other revenues are recognized when cash is received.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund.

Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

E. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

1. Cash and Investments

The City's deposits and investments, including those of component units, consist entirely of demand deposits, money market accounts, savings accounts, and certificates of deposit. For purposes of the statement of cash flows, the City considers certificates of deposit with original maturities of three months or less to be cash equivalents.

Subject to the provisions of state statutes (O.C.G.A. 36-83-4), any money subject to the governing authority's control may be invested in the following: (a) obligations of this state or of other states; (b) obligations issued by the Unites States Government; (c) obligations fully insured or guaranteed by the United States Government or by a government agency of the United States; (d) obligations of any corporations of the United States Government; (e) prime bankers acceptances; (f) the local government investment pool; (g) repurchase agreements; and (h) obligations of other political subdivisions of this state.

The City's policy is to invest excess available cash in certificates of deposit only. These investments are reported at their carrying amounts, which approximates fair value.

2. Inventories and Prepaids

The costs of inventories are recorded as expenditures/expenses when purchased in all funds. The costs of inventory at year end, if any, are not considered material to the financial statements.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as expenditures when paid in governmental activities and are reported on a consumption basis in business-type activities. The cost of prepaid items at year end applicable to governmental activities, if any, are not considered material to the financial statements.

3. Capital Assets, Depreciation, and Amortization

The City's property, plant, equipment, and infrastructure with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. The City maintains infrastructure asset records consistent with all other capital assets, however, infrastructure assets acquired prior to the implementation of GASB Statement No. 34 (FYE June 30, 2004) are not reported. Proprietary and component unit capital assets are also reported in their respective fund and combining component units financial statements. Donated assets are stated at fair value on the date donated. The City generally capitalizes assets with a unit cost of $5,000 or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the assets value or materially extend useful lives are not capitalized. Capital assets, including those of component units, are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

Buildings	25-50
Improvements, other than buildings	5-50
Water and Sewerage Systems (Infrastructure)	7-50
Furniture, machinery, and equipment	5-20

4. Capitalized Interest

Interest costs are capitalized when incurred by proprietary funds and similar component units on debt where proceeds were used to finance the construction of assets. Interest earned on the proceeds of tax-exempt borrowing arrangements restricted to the acquisition of qualifying assets is offset against interest costs in determining the amount to be capitalized. The City incurred no interest costs during the year requiring capitalization.

5. Long-Term Debt

In the government-wide, proprietary, and component unit financial statements, outstanding debt is reported as liabilities. Debt issuance costs, except for any portion that is a prepayment of insurance, are expensed when incurred. The difference between the reacquisition price and net carrying value of the old debt in current refundings and advance refundings resulting in defeasance of debt is reported as a deferred outflow of resources or deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the shorter of the life of the new debt or the remaining life of the old debt.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

6. Compensated Absences

GASB Standards require that leave pay be accrued when: (a) the employer's obligation to employee's right to receive compensation for future benefits is attributable to employee's services already rendered; (b) the obligation related to rights that vest or accumulate; (c) payment of the compensation is probable; and (d) the amount can be reasonably estimated.

The cost of vacation pay and accumulated sick-pay benefits are not recorded until such benefits are paid because the amount cannot be reasonably estimated. Accordingly, no provision for a liability for compensated absences has been recorded.

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until that time. The City did not have any items that qualified for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents the 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 did not have any items that qualified for reporting in this category.

8. Net Position and Fund Balances

Net position is comprised of the following three components:

a. Net Investment in Capital Assets. This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included.

b. Restricted. This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in recognition of a liability or if the liability will be liquidated with the restricted assets reported.

c. Unrestricted. This component is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

The government-wide financial statements report restricted net position for amounts where constraints are imposed either by creditors, grantors, contributors, and others or by enabling legislation. Net position restricted by enabling legislation in the statement of net position was $136,579. The remaining net position reported as restricted in the statement of net position is legally restricted for specified purposes.

Fund balances in the governmental funds financial statements are classified into the following categories as applicable:

a. Non-spendable. The non-spendable fund balance classification includes amounts that cannot be spent because they are either (1) not in spendable form, or (2) legally or contractually required to be maintained intact.

b. Restricted. The restricted fund balance classification includes amounts where constraints have been placed on resources that are (1) either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws and regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

c. Committed. The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (ordinance) of the government's highest level of decision-making authority (City Council). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

d. Assigned. The assigned fund balance classification includes amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The intent should be expressed by (1) the governing body itself or (2) a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. It is the policy of the City Council to reserve unto itself the authority to assign amounts to specific purposes.

e. Unassigned. The Unassigned fund balance is the residual classification for the general fund. This classification represents the fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

When an expense or expenditure is incurred for which both restricted and unrestricted net position or fund balance is available, the City considers restricted amounts to have been spent before unrestricted amounts. The City has not established a policy for the use of its unrestricted fund balance. Therefore, the City has defaulted to considering committed amounts as being used first, followed by assigned amounts, and then unassigned amounts.

9. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets, deferred outflows or resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ, in some cases significantly, from those estimates.

F. REVENUES, EXPENDITURES, AND EXPENSES

1. Lease Commitments

Operating Leases
The City has entered into a number of operating leases, which contain cancellation provisions and are subject to annual appropriations. These expenditures were made primarily from the General Fund and Water and Sewerage Fund.

2. 2007 Special Purpose Local Option Sales Tax

On March 20, 2007, the citizens of Calhoun County, Georgia approved the continued collection of a special 1% local option sales tax for a period six years beginning on July 1, 2007. Under agreement dated February 12, 2007 with Calhoun County, Georgia, the City is to receive an estimated $183,310 or 7.33% of the tax proceeds over the collection period, with the City receiving the first distribution in July, 2008. The proceeds of the tax are to be used by the City to finance projects for improving the water and sewer system, for recreational purposes, and for road, street and bridge purposes.

3. 2012 Special Purpose Local Option Sales Tax

On November 2, 2010, the citizens of Early County, Georgia approved the continued collection of a special 1% local option sales tax for a period six years beginning on January 1, 2012. Under agreement dated August 20, 2010 with Early County, Georgia, the City is to receive an estimated $247,000 or 2.75% of the tax proceeds over the collection period, with the City receiving the first distribution in March, 2012. The proceeds of the tax are to be used by the City to finance capital outlay projects for the City, including construction of, improvements to, equipment for, and alterations of city buildings and facilities, and streets and roads.

G. NEW ACCOUNTING PRONOUNCEMENTS

The City has adopted GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. GASBS 60 defines a service concession arrangement as an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through use of infrastructure or another public asset (a "facility") in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties.

The City has adopted GASB Statement No. 61, *The Financial Reporting Entity - An Amendment of GASB Statements No. 14 and No. 34.* GASBS 61 changes certain requirements for inclusion of component units in the financial reporting entity. Organizations previously included as component units by meeting the fiscal dependency criterion must now also present a financial benefit or burden to the primary government. The Statement also addresses the manner in which management should determine whether an organization should be included as a component unit if the component unit does not meet the financial accountability criteria and management determines that it would be misleading to exclude the organization. The Statement also amends the criteria for reporting component units as blended, i.e. as if they were a part of the primary government and requires a primary government to report its equity interest in a component unit as an asset, with the asset being eliminated in the blending process if the component unit meets the blending criteria.

The City has adopted GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,* which incorporates the text of the FASB, APB, and ARB pronouncements that were issued before November 30, 1989 that applied to governments. Those pronouncements became non-authoritative for governmental entities when FASB established the FASB Accounting Standards Codification as the single source of authoritative, nongovernmental GAAP for nonpublic entities in September 2009. While GASBS 62 keeps the substance of that guidance, it nevertheless modifies the guidance to recognize the effects of the governmental environment and the needs of governmental financial statement users. GASBS 62 supersedes GASBS 20 eliminating the election that allowed enterprise funds and business-type activities to apply FASB Statements and Interpretations issued before November 30, 1989, that did not conflict with or contradict GASB pronouncements.

The City has adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,* which adds the financial statement elements of deferred outflows of resources and deferred inflows of resources to the financial statements of all fund types and activities. GASBS 63 also replaces the statement of net assets with the statement of net position.

The City has adopted GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions.* GASBS 64 amends paragraph 22d of GASBS 53 to clarify when the application of hedge accounting should continue upon the replacement of a swap counterparty or a swap counterparty's credit support provider. Under GASBS 64, under certain circumstances, the replacements would not trigger the termination provisions of GASBS 53.

The City has adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities,* which expands the concepts of GASBS 63 and changes the accounting and reporting requirements for certain assets and liabilities. Under GASBS 65, certain items previously reported as assets and liabilities are to be reclassified and reported as deferred outflows of resources or deferred inflows of resources. Certain other items that had been reported as assets or liabilities are to be recognized as outflows of resources or inflows of resources.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. MATERIAL VIOLATIONS OF LEGAL AND CONTRACTUAL PROVISIONS

1. Expenditures Over Appropriations

The City incurred expenditures, which exceeded appropriations, for the City's debt service fund in violation of O.C.G.A. 36-81-3 by $683.

B. BUDGETARY INFORMATION

1. Budgetary Preparation

On or before a date fixed by the City Council, but not later than 60 days prior to the beginning of each fiscal year, the City Manager shall submit to the City Council a proposed operating budget for the ensuing fiscal year. The budget shall be accompanied by a message from the City Manager containing a statement of the general fiscal policies of the City, the important features of the budget, explanations of major changes recommended for the next fiscal year, a general summary of the budget, and such other pertinent comments and information. The operating budget and the capital budget, the budget message, and all supporting documents shall be filed in the office of the City Clerk and shall be open to public inspection.

2. Basis of Budgeting

Adoption of the budget is in the form of an appropriations ordinance setting out the estimated revenues in detail by sources and making appropriations according to fund and by organizational unit, purpose, or activity as set out in the City's budget preparation ordinance. Accordingly, each operating fund adopts an annual budget prepared on detailed line-item basis in a manner consistent with GAAP. Revenues are budget by source. Expenditures are budgeted by department. This constitutes the legal level of control and expenditures may not exceed appropriations at this level. The City Council, by ordinance, may make changes in the appropriations contained in the current operating budget, at any regular meeting, special, or emergency meeting called for such purpose, but any additional appropriations may be made only from existing unexpended surplus. Budget revisions at this level are subject to final review by the Council.

3. Encumbrances

The City has not reserved any fund balances for recorded encumbrances of financial resources. Encumbrance accounting is normally an extension of formal budgetary integration. Encumbrances do not represent actual expenditures but rather are budgetary items, which represent the estimated cost of goods and services, which have yet to be received. The purpose of encumbrance accounting is to facilitate the prevention of overspending of appropriations.

C. DEFICIT FUND NET ASSETS

All funds operated by the City have positive fund balances.

NOTE 3 - DETAILED NOTES ON FUNDS AND COMPONENT UNITS

A. ASSETS

1. Deposits and Investments

Deposits

Custodial Credit Risk - for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of the outside party. The City's deposits, including those of its component units, consist entirely of demand deposit, money market, savings accounts, and certificates of deposit.

Primary Government

At June 30, 2013, the City's deposits had a carrying amount of $392,379 and a bank balance of $403,725. Of the bank balance, $242,308 was covered by federal depository insurance and $161,417 was secured by collateral held by the pledging bank's agent in the City's name.

Component Units

At June 30, 2013, the Arlington Downtown Development Authority's deposits had a carrying amount of $5,864 and a bank balance of $5,636. All of the bank balance was covered by federal depository insurance.

Investments

Custodial Credit Risk - for investments is the risk that, in the event of the failure of the counterparty (e.g. financial institution or broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Investment securities are exposed to custodial credit risk if the securities uninsured, are not registered in the government's name, and are held by either (a) the counterparty or (b) the counterparty's trust department or agent, but not in the government's name.

Primary Government

The City's investments consist entirely of certificates of deposit. At June 30, 2013, the City's investments had a carrying amount of $115,262 and a bank balance of $115,262. Of the bank balance, $8,374 was covered by federal depository insurance and $106,888 was secured by collateral held by the pledging bank's agent in the City's name.

Component Units

At June 30, 2013, the Arlington Downtown Development Authority had no investments.

Due to the nature of the deposits and investments that are authorized under state statutes and the City's deposit and investment policies, management does not believe the City has a significant exposure to any of the following deposit or investment risks:

Credit Risk - the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment.

Concentration of Credit Risk - the risk of loss attributed to the magnitude of an entity's investment in a single issuer.

Interest Rate Risk - the risk that changes in interest rates demanded by the market will adversely affect the fair value of an investment.

Foreign Currency Risk - the risk that changes in foreign exchange rates will adversely affect the fair values of an investment or deposit.

2. Receivables and Uncollectible Accounts

Primary Government

Property Taxes Receivable, Deferred Revenue, and Property Tax Calendar
Property taxes are levied as of the date the millage rate is set (August 24) and are typically due and payable between October 20th and December 20th. The lien date for property taxes is January 1 (typically). Property tax revenues are recognized when levied to the extent they result in current receivables.

Significant Receivables, Uncollectible Accounts, and Deferred Revenue
Significant receivables as of year-end for the City's individual major funds and nonmajor funds in the aggregate, including applicable allowances for uncollectible accounts, are as follows:

	General	Water & Sewerage	Nonmajor and Other Funds	Total
Receivables:				
Taxes	$ 19,849	$ -	$ -	$ 19,849
Inter-governmental	37,436	-	9,320	46,756
Accounts	13,742	21,934	-	35,676
Other	578	-	-	578
Totals	$ 71,605	$ 21,934	$ 9,320	$ 102,859

The City uses the direct write off method for recording uncollectible accounts, which approximates GAAP. Historically, the City's losses have not been significant.

Component Units

At June 30, 2013 the Arlington Downtown Development Authority had no receivables outstanding.

3. Restricted Assets

Restricted assets are reported in various funds for cash deposited into bank accounts legally restricted for specific uses such as the payment of debt service on long-term debt or capital projects.

4. Capital Assets

The following table provides a summary of changes in capital assets:

	Capital Assets, Not Depreciated		Capital Assets, Depreciated			
	Land	Construction In Progress	Buildings	Infrastructure and Improvements Other Than Buildings	Furniture, Machinery, and Equipment	Totals
Primary Government						
Governmental Activities						
Balance, June 30, 2012	$ 73,631	$ -	$ 722,970	$ 507,149	$ 746,934	$ 2,050,684
Increases	-	-	137,757	-	17,923	155,680
Decreases	-	-	-	-	(16,616)	(16,616)
Balance, June 30, 2013	73,631	-	860,727	507,149	748,241	2,189,748
Accumulated Depreciation:						
Balance, June 30, 2012	-	-	(394,397)	(179,615)	(386,460)	(960,472)
Increases	-	-	(17,899)	(25,357)	(54,447)	(97,703)
Decreases	-	-	-	-	16,616	16,616
Balance, June 30, 2013	-	-	(412,296)	(204,972)	(424,291)	(1,041,559)
Capital Assets, Net	$ 73,631	$ -	$ 448,431	$ 302,177	$ 323,950	$ 1,148,189
Business-Type Activities						
Balance, June 30, 2012	$ 36,985	$ -	$ -	$6,558,329	$ 68,929	$ 6,664,243
Increases	-	48,123	-	31,843	-	79,966
Decreases	-	-	-	-	-	-
Balance, June 30, 2013	36,985	48,123	-	6,590,172	68,929	6,744,209
Accumulated Depreciation:						
Balance, June 30, 2012	-	-	-	(1,373,108)	(47,266)	(1,420,374)
Increases	-	-	-	(135,144)	(5,431)	(140,575)
Decreases	-	-	-	-	-	-
Balance, June 30, 2013	-	-	-	(1,508,252)	(52,697)	(1,560,949)
Capital Assets, Net	$ 36,985	$ 48,123	$ -	$5,081,920	$ 16,232	$ 5,183,260
Total Capital Assets, Net	$ 110,616	$ 48,123	$ 448,431	$5,384,097	$ 340,182	$ 6,331,449
Component Units						
Balance, June 30, 2012	$ 44,016	$ -	$ -	$ -	$ -	$ 44,016
Increases	5,014	-	-	-	-	5,014
Decreases	-	-	-	-	-	-
Balance, June 30, 2013	49,030	-	-	-	-	49,030
Accumulated Depreciation:						
Balance, June 30, 2012	-	-	-	-	-	-
Increases	-	-	-	-	-	-
Decreases	-	-	-	-	-	-
Balance, June 30, 2013	-	-	-	-	-	-
Capital Assets, Net	$ 49,030	$ -	$ -	$ -	$ -	$ 49,030

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

Governmental Activities		Business-Type Activities	
General Government	$ 15,187	Water and Sewerage	$ 140,575
Public Safety	37,261		
Public Works	40,463		
Culture and Recreation	4,792		
Totals	$ 97,703		$ 140,575

B. LIABILITIES

1. Long-Term Debt

Primary Government

Governmental Activities
When favorable conditions present themselves the City periodically finances purchases of equipment.

Business-Type Activities

a. Revenue Bond: The ordinance authorizing the issuance of the Water and Sewer System Revenue Bond - Series 2009 - includes the following provisions:

   i. There shall be paid into the City of Arlington Water and Sewer System Sinking Fund 2009 amounts sufficient to pay the principal and interest as such principal and interest shall become due and payable; and

   ii. There shall be paid into the City of Arlington Water and Sewerage System Sinking Fund 2009 the sums of $582 per month to maintain a payment reserve of $69,792.

The following table provides a summary of changes in long-term debt:

	Balance July 1, 2012	Additions	Retirements	Balance June 30, 2013	Due Within 1 Year
Governmental Activities					
Branch Bank and Trust, For Police Car, Due in Quarterly Installments of $1,958 Through Jun, 2017 at 3.380% Interest (Original Amount $35,894)	$ 35,894	$ -	$ (6,704)	$ 29,190	$ 6,934
Branch Bank and Trust, For Police Car, Due in Quarterly Installments of $3,038 each Through Feb, 2015 at 3.330% Interest (Original Amount $34,750)	31,808	-	(11,232)	20,576	11,611
Branch Bank and Trust, For Equipment, Due in Quarterly Installments of $2,732 each Through Apr, 2016 at 3.76% Interest (Original Amount $49,498)	40,413	-	(9,544)	30,869	9,907
Totals Governmental Activities	$ 108,115	$ -	$ (27,480)	$ 80,635	$ 28,452
Business-Type Activities					
2009 Series, 4.25% Water And Sewerage System Revenue Bond, For Sewage System Improvements, (Original Amount $1,340,000)	$ 1,299,906	$ -	$ (14,830)	$ 1,285,076	$ 15,473
Totals Business-Type Activities	$ 1,299,906	$ -	$ (14,830)	$ 1,285,076	$ 15,473
Total Long-Term Debt	$ 1,408,021	$ -	$ (42,310)	$ 1,365,711	$ 43,925

The annual requirements to amortize the preceding obligations as of June, 30, 2013, are as follows:

Year Ending	Governmental Activities			Business-Type Activities		
June 30,	Principal	Interest	Total	Principal	Interest	Total
2014	$ 28,452	$ 2,463	$ 30,915	$ 15,473	$ 54,319	$ 69,792
2015	26,420	1,456	27,876	16,144	53,648	69,792
2016	18,094	669	18,763	16,696	53,096	69,792
2017	7,669	163	7,832	17,567	52,225	69,792
2018	-	-	-	18,328	51,464	69,792
2019-2023	-	-	-	104,110	244,850	348,960
2024-2028	-	-	-	128,601	220,359	348,960
2029-2033	-	-	-	159,151	189,809	348,960
2034-2038	-	-	-	196,772	152,188	348,960
2039-2043	-	-	-	243,289	105,671	348,960
2044-2048	-	-	-	300,793	48,167	348,960
2049-2050	-	-	-	68,152	1,581	69,733
Totals	$ 80,635	$ 4,751	$ 85,386	$ 1,285,076	$1,227,377	$ 2,512,453

Component Units

Conduit Debt

The Arlington Downtown Development Authority obtained funding from the One Georgia Authority for the benefit of a local private enterprise in the form of a low interest loan. Neither the Arlington Downtown Development Authority, nor the City of Arlington, Georgia is liable for repayment of the obligation. The amount of the obligation outstanding at June 30, 2013 was $254,676.

2. Risk Management

The City is exposed to various forms of risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains commercial insurance coverage for this risk of loss which management believes to be sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The City participates in the Georgia Municipal Association Workers Compensation Fund. The liability of the fund to the employees of an employer (City) is specifically limited to such obligations as are imposed by the applicable state laws against the employer for workers compensation and/or employer's liability.

The fund is to defend, in the name of, and on behalf of the members, any suit or other proceedings which may at any time be instituted against them on account of injuries or death within the purview 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 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.

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

C. NET POSITION/FUND BALANCES

The City reports the following net position/fund balances as restricted at year-end:

2007 Special Purpose Local Option Sales Tax Fund	$ 94,425
2012 Special Purpose Local Option Sales Tax Fund	42,154
Total Restricted Fund Balances	$ 136,579

Within the General Fund, the City reports the following unrestricted fund balance as assigned at year-end:

Recreation	$ 10,195
Fire Department	4,629
City Park	75
Cemetery	2,541
Travel	7
May Day Festival	6,549
Grant Matching	24,749
Total Assigned Fund Balances	$ 48,745

D. BALANCES AND TRANSFERS/PAYMENTS WITHIN THE REPORTING ENTITY

1. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are described as "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans).

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

The following table reports interfund receivables and payables at year end:

	Due From	Due To
General Fund	$ 1	$ 12
CHIP Special Revenue Fund	-	1
CDBG Fund	12	-
Totals	$ 13	$ 13

2. Transfers and Payments

Transfers and payments within the reporting entity are substantially for the purposes of subsidizing operating functions, funding capital projects and asset acquisitions, or maintaining debt service. The government-wide statement of activities eliminates transfers as reported within the segregated governmental and business-type activities columns. Only transfers between the two columns appear in this statement.

The following table reports transfers and payments within the reporting entity:

	Transfers Out					
	General Fund	2012 SPLOST Fund	CDBG Fund	2007 SPLOST Fund	Water & Sewer Fund	Total Transfers In
Transfers In:						
Governmental Activities						
General Fund	$ -	$ -	$ -	$ -	$ -	$ -
Debt Service Fund	15,378	11,072	-	-	4,465	30,915
Total Governmental Activities	15,378	11,072	-	-	4,465	30,915
Business-Type Activities						
Water & Sewerage Fund	30,200	-	48,123	42,787	-	121,110
Total Business-Type Activities	30,200	-	48,123	42,787	-	121,110
Total Transfers Out	$ 45,578	$ 11,072	$ 48,123 *	$ 42,787 *	$ 4,465	$ 152,025

* Reported in Governmental Funds as Capital Outlay and in the Water & Sewerage Fund as Contributions.

NOTE 4 - RETIREMENT PLANS

A. PEACE OFFICERS ANNUITY AND BENEFIT FUND

Policemen are covered under separate pension plans which require that certain sums from fines or bond forfeitures be remitted by the City to the pension plan before payment of any costs or other claims.

B. DEFERRED COMPENSATION PLAN

Georgia Municipal Association

By authority of a resolution passed by the City Council (April 8, 2003) and state statute, the City has elected to participate in the GMA Deferred Compensation Plan and the GMA 401(a) Defined Contribution Plan, collectively referred to as "the Plan", administered by Georgia Municipal Association (GMA) in accordance with Internal Revenue Section(s) 457 and 401(a) respectively. The Plan covers substantially all the City employees, without regard to department, and all contributions made by or on behalf of an employee are credited to that individual participants account. Under provisions of the Plan, employees must have 6 months of service before being eligible to participate in the Plan. The City allows employees the option of contributing up to 100% of their includible compensation to the Plan, subject to the maximum statutory specific dollar amount allowed by the Internal Revenue Code, and employees are 100% vested in their contributions and investment earnings thereon.

The Plan provides for the City to match employee contributions up to 2% of annual salary. Employees are vested in employer contributions and the investment earnings thereon under the following graduated scale:

Completed Years of Service As Eligible Employee	Vested %
1 year	20
2 years	40
3 years	60
4 years	80
5 years	100

In the event of death, disability, or termination of the Plan, a participant becomes 100% vested in the employers matching contributions, notwithstanding any vesting schedule. In determining the participant's total years of service for vesting purposes, different periods of employment as an eligible employee will be added together if the participant is reemployed with the City before completing a period of separation of 1 year. If a participant separates from service, the participant's non-vested employer contributions shall be forfeited as of the date of the participant's separation from service. Amounts forfeited during a plan year shall be held unallocated until they are used to reduce or otherwise supplement employer contributions as of the earliest possible date such contributions are required to be made to the Plan.

If the City desires to amend any of its elections previously adopted, the governing authority by official action must adopt an amendment of the of the Adoption Agreement or a new Adoption Agreement must be adopted and forwarded to the Plan Trustees for approval. The amendment of the new Adoption Agreement is not effective until approved by the Trustees and other procedures required by the Plan have been implemented.

For the year ended June 30, 2013, the contributions of the employees and City amounted to $6,619 and $3,346 respectively.

NOTE 5 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

A. LITIGATION

The City attorney has advised the City that no litigation is pending (or has been threatened) against the City at June 30, 2013.

B. CONTINGENCIES

Except for the joint venture relationship described in Note 1-B.3., the City has not entered into any arrangement under which the City would assume any actual or potential liability for the obligations of any governmental or private agency, authority, or instrumentality.

C. GRANTS

In the normal course of operations, the City receives grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds.

NOTE 6 - SUBSEQUENT EVENTS

There were no other subsequent events, which would materially affect the financial statements and require disclosure.

NOTE 7 - PRIOR PERIOD ADJUSTMENT AND RESTATEMENT

To comply with the requirements of GASBS No. 65, the City has restated the non-current assets of its Water and Sewerage Enterprise Fund and its Business-Type Activities reported in its fiscal year June 30, 2012 financial statements for deferred charges. The deferred charges represented the unamortized debt issuance costs associated with the City's 2009 Revenue Bond. Under GASBS No. 65, those costs should be expensed in the period incurred.

Net Position July 1, 2012 as originally reported	$ 4,271,856
Decrease in Deferred Charges	(24,975)
Net Position July 1, 2012 as restated	$ 4,246,881

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ARLINGTON, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes	$ 520,730	$ 520,730	$ 439,215	$ (81,515
Licenses and Permits	15,400	15,400	11,878	(3,522)
Fines and Forfeitures	25,000	25,000	11,520	(13,480)
Charges for Services	125,000	125,000	144,676	19,676
Intergovernmental Revenue	1,200	134,835	134,835	-
Miscellaneous Revenue	20,400	20,400	29,565	9,165
Total Revenues	707,730	841,365	771,689	(69,676)
EXPENDITURES				
General Government	183,920	183,020	161,468	21,552
Public Safety	210,410	210,410	196,865	13,545
Public Works	266,500	283,599	278,379	5,220
Culture and Recreation	63,200	180,636	151,081	29,555
Total Expenditures	724,030	857,665	787,793	69,872
Excess (Deficiency) of Revenues Over Expenditures	(16,300)	(16,300)	(16,104)	196
OTHER FINANCING SOURCES (USES)				
Re-appropriated Fund Balance	35,000	35,000	-	(35,000)
Transfers In	-	-	-	-
Transfers Out	(18,700)	(18,700)	(45,578)	(26,878)
Net Other Financing Source (Uses)	16,300	16,300	(45,578)	(61,878)
Net Change In Fund Balance	-	-	(61,682)	(61,682)
Fund Balance - Beg of Year	183,837	183,837	183,837	-
Fund Balance - End of Year	$ 183,837	$ 183,837	$ 122,155	$ (61,682)

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

CITY OF ARLINGTON, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
TAXES				
Property Taxes	$ 181,330	$ 181,330	$ 163,601	$ (17,729)
Local Option Sales Taxes	159,000	159,000	106,582	(52,418)
Alcoholic Beverage Taxes	17,000	17,000	17,540	540
Insurance Premiums Tax	77,000	77,000	73,684	(3,316)
Franchise Taxes	85,000	85,000	77,102	(7,898)
Housing Authority- In Lieu of Taxes	700	700	-	(700)
Intangible Taxes	700	700	706	6
Total Taxes	520,730	520,730	439,215	(81,515)
LICENSES AND PERMITS				
Business Licenses	15,000	15,000	11,878	(3,122)
Other Licenses and Permits	400	400	-	(400)
Total Licenses and Permits	15,400	15,400	11,878	(3,522)
FINES AND FORFEITURES				
Fines and Forfeitures	25,000	25,000	11,520	(13,480)
Total Fines and Forfeitures	25,000	25,000	11,520	(13,480)
CHARGES FOR SERVICES				
Garbage Fees	125,000	125,000	144,676	19,676
Total Charges for Services	125,000	125,000	144,676	19,676
INTERGOVERNMENTAL REVENUE				
Federal Government	-	116,536	116,536	-
State Government	-	17,099	17,099	-
Other Local Governments	1,200	1,200	1,200	-
Total Intergovernmental Revenue	1,200	134,835	134,835	-
MICELLANEOUS REVENUE				
Recreation Charges	6,400	6,400	586	(5,814)
Interest Earnings	1,200	1,200	1,461	261
Penalties	4,000	4,000	9,935	5,935
Cemetery	500	500	-	(500)
Rents and Deposits	5,300	5,300	11,455	6,155
Miscellaneous	3,000	3,000	6,128	3,128
Total Miscellaneous Revenue	20,400	20,400	29,565	9,165
GRAND TOTAL REVENUES	$ 707,730	$ 841,365	$ 771,689	$ (69,676)

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

CITY OF ARLINGTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
GENRAL GOVERNMENT				
Salaries	$ 78,000	$ 78,000	$ 56,992	$ 21,008
Council Fees	5,000	5,000	6,225	(1,225)
Mayors Fee	2,400	2,400	2,200	200
Mayor Pro-Tem Fee	1,300	1,300	1,600	(300)
Salaries-BH Manager	11,000	11,000	10,983	17
Election Labor	2,500	2,500	-	2,500
Insurance-Public Officials	500	500	500	-
Health Insurance	6,000	6,000	6,244	(244)
Health Insurance Deductible	1,000	-	-	-
Payroll Taxes	9,500	9,500	5,681	3,819
Employers Retirement	1,160	1,160	1,140	20
Management Maintenance	4,000	4,000	4,950	(950)
Workers Compensation Insurance	1,500	1,500	564	936
Audit Fees	5,000	9,475	9,475	-
Legal Fees	29,300	24,825	15,794	9,031
Building Maintenance	500	600	664	(64)
Insurance	6,200	6,200	6,200	-
Telephone	2,560	2,560	2,834	(274)
Advertisements	2,000	2,000	1,851	149
Dues	2,000	2,000	3,729	(1,729)
Clerks Training	2,000	2,000	2,458	(458)
Public Officials Training	2,000	2,000	1,362	638
Office Supplies	3,500	3,500	5,064	(1,564)
Electricity	3,000	3,000	3,025	(25)
Miscellaneous	-	-	10,027	(10,027)
Office Equipment	2,000	2,000	1,906	94
Total General Government	183,920	183,020	161,468	21,552
PUBLIC SAFETY				
Police Department:				
Salaries	109,000	109,000	107,806	1,194
Investigation	500	500	30	470
Health Insurance	13,000	13,000	10,452	2,548
Payroll Taxes	8,400	8,400	7,848	552
Employers Retirement	2,200	2,200	622	1,578
Workers Compensation Insurance	6,000	6,000	5,882	118
Uniforms	1,200	1,200	777	423
Legal Fees	500	500	-	500
Recorder's Court	7,460	7,460	6,146	1,314
Computer Maintenance	600	600	129	471
Equipment Maintenance and Repair	1,000	1,000	797	203
Vehicle Maintenance and Repair	2,000	2,000	2,558	(558)
Insurance	6,650	6,650	6,650	-
Police Liability Insurance	3,200	3,200	3,200	-
Telephone	$ 2,900	$ 2,900	$ 2,681	$ 219

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

CITY OF ARLINGTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
PUBLIC SAFETY (continued)				
Police Department (continued):				
Training and Mileage	$ 2,500	$ 2,500	$ 1,980	$ 520
Supplies	2,500	2,500	2,791	(291)
Electricity	3,500	3,500	2,975	525
Jail Expense	2,000	2,000	-	2,000
Gas and Oil	12,000	12,000	10,951	1,049
Breath Alcohol Tests	500	500	30	470
Witness Fees	200	200	-	200
Small Equipment	1,500	1,500	767	733
Emergency Fund	1,500	1,500	-	1,500
Drug Task Force	2,300	2,300	2,300	-
Capital Outlay:	-	-	-	-
Total Police Department	193,110	193,110	177,372	15,738
Fire Department:				
Salaries	1,200	1,200	1,200	-
Firemen's Retainer	3,600	3,275	3,150	125
Asst. Fire Chief Salary	800	800	775	25
Payroll Taxes	100	100	102	(2)
Building Maintenance	4,200	900	1,894	(994)
Vehicle Maintenance and Repair	500	500	449	51
Insurance	3,000	3,000	3,000	-
Telephone	-	-	430	(430)
Training and Mileage	1,000	700	616	84
Supplies	500	500	514	(14)
Electricity	1,400	1,400	1,244	156
Miscellaneous	-	-	-	-
Small Equipment	1,000	4,925	6,119	(1,194)
Total Fire Department	17,300	17,300	19,493	(2,193)
Total Public Safety	210,410	210,410	196,865	13,545
PUBLIC WORKS				
Salaries	43,000	43,000	50,024	(7,024)
Health Insurance	7,000	7,000	9,857	(2,857)
Payroll Taxes	3,200	3,200	3,673	(473)
Employers Retirement	800	800	549	251
Workers Compensation Insurance	3,000	11,000	7,974	3,026
Uniforms	1,600	1,600	1,366	234
Animal Control	1,500	1,500	2,931	(1,431)
Vehicle Maintenance	2,000	2,000	2,401	(401)
Building Maintenance	4,000	1,000	797	203
Equipment Maintenance and Repair	7,000	7,000	14,863	(7,863)
Street Maintenance	$ 7,000	$ 24,099	$ 9,556	$ 14,543

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

CITY OF ARLINGTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
PUBLIC WORKS (continued)				
Insurance	$ 6,700	$ 6,700	$ 2,223	$ 4,477
Telephone	1,500	1,500	559	941
Training and Mileage	500	500	711	(211)
Supplies	6,000	6,000	6,670	(670)
Pesticides	8,000	8,000	6,678	1,322
Electricity	48,000	43,000	36,716	6,284
Gas, Oil, and Diesel	15,000	15,000	20,471	(5,471)
Miscellaneous	700	700	-	700
Garbage Collection and Disposal	100,000	100,000	100,360	(360)
Total Public Works	266,500	283,599	278,379	5,220
CULTURE AND RECREATION				
Recreation Department:				
Salaries and Umpire Fees	1,000	1,000	-	1,000
Maintenance and Repair	1,500	1,500	1,565	(65)
Insurance	700	700	700	-
Electricity	3,500	6,000	4,649	1,351
Concession and Supplies	500	500	969	(469)
Small Equipment	500	500	210	290
Calhoun County Recreation	1,500	1,500	1,500	-
Total Recreation Department	9,200	11,700	9,593	2,107
Community Center:				
Maintenance and Repair	2,000	3,400	3,123	277
Insurance	700	700	700	-
Electricity	1,200	1,200	762	438
Total Community Center	3,900	5,300	4,585	715
Other:				
Capital Outlay:				
Depot	-	79,100	88,972	(9,872)
Farmers Market	-	37,436	37,436	-
CHIP Matching	10,000	10,000	6,965	3,035
Summer Lunch Program Plan	32,000	32,000	-	32,000
Beautification (Lights)	3,000	1,500	1,295	205
Arlington Downtown Development	2,600	2,600	1,264	1,336
May Day Committee	1,000	1,000	971	29
Boys and Girls Club	1,500	-	-	-
Total Other	50,100	163,636	136,903	26,733
Total Culture and Recreation	63,200	180,636	151,081	29,555
GRAND TOTAL EXPENDITURES	$ 724,030	$ 857,665	$ 787,793	$ 69,872

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

CITY OF ARLINGTON, GEORGIA
CHIP SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental Revenue	$ 306,000	$ 306,000	$ 300,000	$ (6,000)
Total Revenues	306,000	306,000	300,000	(6,000)
EXPENDITURES				
Housing and Development:				
Rehabilitation of Private Properties	300,000	300,000	300,000	-
Administration	6,000	6,000	-	6,000
Total Expenditures	306,000	306,000	300,000	6,000
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
Fund Balance - Beg of Year	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ -	$ -

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

A. BUDGETARY INFORMATION

Annual budgets have been adopted on a basis consistent with generally accepted accounting principles for all governmental funds.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

GENERAL FUND

The general fund is the City's primary operating fund and is used to account for resources, traditionally associated with governments, not requiring to be accounted for in another fund.

SPECIAL REVENUE FUNDS

Community Home Investment Program - is used to account for a $306,000 Community Home Investment Program Grant (Grant #: 2011-804) for the rehabilitation of ten owner occupied units.

CITY OF ARLINGTON, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEETS

	JUNE 30, 2013	JUNE 30, 2012
ASSETS		
Cash and Cash Equivalents	$ 72,810	$ 188,035
Investments in Certificates of Deposit	8,374	8,312
Accounts Receivable	13,742	13,557
Motor Vehicle Taxes Receivable	440	377
Mobile Home Taxes Receivable	-	335
Title Ad-valorem Tax Fees	1,828	-
Local Option Sales Taxes Receivable	15,570	26,645
Alcoholic Beverages Taxes Receivable	1,482	1,782
Franchise Taxes Receivable	518	599
Intangible Tax Receivable	11	128
Fines Receivable	578	1,931
Due from CHIP Fund	1	-
Due from Federal Government	37,436	-
Total Assets	$ 152,790	$ 241,701
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	29,996	22,007
Payroll Taxes Payable	627	1,655
Due to CDBG Fund	12	-
Due to Georgia Department of Early Care and Learning	-	34,202
Total Liabilities	30,635	57,864
Fund Balance:		
Fund Balance Assigned For:		
Recreation	10,195	12,698
Fire	4,629	3,412
City Park	75	75
Cemetery	2,541	2,125
Travel	7	96
May Day	6,549	6,121
Grant Matching	24,749	17,242
Fund Balance Unassigned	73,410	142,068
Total Fund Balance	122,155	183,837
Total Liabilities and Fund Balance	$ 152,790	$ 241,701

CITY OF ARLINGTON, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEARS ENDED

	JUNE 30,	
	2013	2012
REVENUES		
Taxes	$ 439,215	$ 508,067
Licenses and Permits	11,878	13,007
Fines & Forfeitures	11,520	14,681
Charges for Services	144,676	145,108
Intergovernmental	134,835	3,200
Miscellaneous	29,565	27,139
Total Revenues	771,689	711,202
EXPENDITURES		
General Government	161,468	166,945
Public Safety	196,865	249,474
Public Works	278,379	265,438
Culture & Recreation	151,081	34,608
Total Expenditures	787,793	716,465
Excess (Deficiency) of Revenues Over Expenditures	(16,104)	(5,263)
OTHER FINANCING SOURCES (USES)		
Transfers In	-	34,750
Transfers Out	(45,578)	(24,243)
Total Other Financing Sources (Uses)	(45,578)	10,507
Net Change in Fund Balance	(61,682)	5,244
Fund Balance - Beginning of Year	183,837	178,593
Fund Balance - End of Year	$ 122,155	$ 183,837

CITY OF ARLINGTON, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES
FOR THE YEARS ENDED

	JUNE 30, 2013	JUNE 30, 2012
TAXES		
Property Taxes	$ 163,601	$ 166,100
Local Option Sales Taxes	106,582	164,430
Alcoholic Beverage Taxes	17,540	19,271
Insurance Premiums Tax	73,684	69,371
Franchise Tax	77,102	86,278
Railroad Equipment Tax	-	1,995
Housing Authority - In Lieu of Taxes	-	-
Intangible Taxes	706	622
Total Taxes	439,215	508,067
LICENSES AND PERMITS		
Business Licenses	11,878	13,007
Other Licenses and Permits	-	-
Total Licenses and Permits	11,878	13,007
FINES AND FORFEITURES		
Fines and Forfeitures	11,520	14,681
Total Fines and Forfeitures	11,520	14,681
CHARGES FOR SERVICES		
Garbage Fees	144,676	145,108
Total Charges for Services	144,676	145,108
INTERGOVERNMENTAL REVENUE		
Federal Government	116,536	-
State Government	17,099	-
Other Local Governments	1,200	3,200
Total Intergovernmental Revenue	134,835	3,200
MISCELLANEOUS REVENUE		
Recreation Charges	586	427
Interest Earnings	1,461	1,756
Penalties	9,935	9,418
Cemetery	-	500
Rents and Deposits	11,455	6,801
Miscellaneous	6,128	8,237
Total Miscellaneous Revenue	29,565	27,139
GRAND TOTAL REVENUES	$ 771,689	$ 711,202

CITY OF ARLINGTON, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENTS OF EXPENDITURES
FOR THE YEARS ENDED

	JUNE 30, 2013	JUNE 30, 2012
GENERAL GOVERNMENT		
Salaries	$ 56,992	$ 59,890
Council Fees	6,225	6,300
Mayors Fee	2,200	2,400
Mayor Pro-Tem Fee	1,600	1,675
Election Labor	-	2,825
Salaries-BH Manager	10,983	10,760
Insurance-Public Officials	500	500
Health Insurance	6,244	8,018
Payroll Taxes	5,681	6,975
Employers Retirement	1,140	1,180
Management Maintenance	4,950	8,803
Workers Compensation Insurance	564	400
Audit	9,475	4,600
Legal	15,794	18,515
Building Maintenance	664	2,339
Insurance	6,200	6,150
Telephone	2,834	2,419
Advertisements	1,851	3,561
Dues	3,729	2,371
Clerks Training	2,458	2,126
Public Officials Training	1,362	2,294
Office Supplies	5,064	3,764
Electricity	3,025	3,963
Miscellaneous	10,027	3,151
Office Equipment	1,906	1,966
Condemnation Property	-	-
Total General Government	161,468	166,945
PUBLIC SAFETY		
Police Department:		
Salaries	107,806	113,510
Payroll Taxes	7,848	9,817
Health Insurance	10,452	12,555
Retirement	622	659
Investigation	30	105
Uniforms	777	995
Legal Fees	-	337
Recorder's Court	6,146	10,770
Workers Compensation Insurance	5,882	5,056
Computer Maintenance	129	-
Equipment Maintenance and Repair	797	-
Vehicle Maintenance and Repair	2,558	8,359
Insurance	6,650	6,150
Insurance - Police Liability	3,200	4,993
Telephone	2,681	2,946
Training and Mileage	1,980	1,517
Supplies	2,791	2,791
Electricity	2,975	2,635
Jail Expense	-	352
Gas and Oil	$ 10,951	$ 11,387

CITY OF ARLINGTON, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENTS OF EXPENDITURES
FOR THE YEARS ENDED

	JUNE 30, 2013	JUNE 30, 2012
PUBLIC SAFETY (continued)		
Police Department (continued):		
Breath Alcohol Tests	$ 30	$ 20
Witness	-	-
Emergency Fund	-	1,510
Small Equipment	767	10
Drug Task Force	2,300	2,300
Capital Outlay:		
2011 Dodge Charger	-	34,750
Total Police Department	177,372	233,524
Fire Department:		
Salaries	1,200	1,300
Fireman's Retainer	3,150	3,325
Asst. Fire Chief Salary	775	725
Payroll Taxes	102	117
Workers Compensation Insurance	-	-
Building Maintenance and Repair	1,894	2,711
Vehicle Maintenance and Repair	449	80
Insurance	3,000	3,000
Telephone	430	507
Training and Mileage	616	124
Supplies	514	2,197
Electricity	1,244	1,267
Miscellaneous	-	7
Small Equipment	6,119	590
Capital Outlay:	-	-
Total Fire Department	19,493	15,950
Total Public Safety	196,865	249,474
PUBLIC WORKS		
Salaries	50,024	33,411
Payroll Taxes	3,673	2,808
Health Insurance	9,857	3,072
Retirement	549	380
Workers Compensation Insurance	7,974	2,938
Uniforms	1,366	1,554
Animal Control	2,931	1,843
Building Maintenance	797	298
Equipment Maintenance and Repair	14,863	9,914
Vehicle Maintenance and Repair	2,401	2,200
Street Maintenance	9,556	9,464
Insurance	2,223	6,150
Telephone	559	646
Training and Mileage	711	175
Supplies	6,670	6,799
Pesticides	6,678	13,394
Electricity	$ 36,716	$ 46,121

CITY OF ARLINGTON, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENTS OF EXPENDITURES
FOR THE YEARS ENDED

	JUNE 30, 2013	JUNE 30, 2012
PUBLIC WORKS (continued)		
Gas and Oil	$ 20,471	$ 22,706
Miscellaneous	-	889
Beautification of Arlington	-	-
Garbage Collection and Disposal	100,360	100,505
Small Equipment	-	171
Cemetery Maintenance	-	-
Capital Outlay:	-	-
Total Public Works	278,379	265,438
CULTURE AND RECREATION		
Recreation Department:		
Maintenance and Repair	1,565	323
Insurance	700	700
Electricity	4,649	4,152
Supplies	969	-
Small Equipment	210	596
Calhoun County Recreation	1,500	3,500
Total Recreation Department	9,593	9,271
Community Center:		
Maintenance and Repair	3,123	2,309
Electricity	762	-
Insurance	700	-
Total Community Center	4,585	2,309
Other:		
Downtown Development	1,264	1,801
Beautification (Lights)	1,295	10,819
CHIP Matching	6,965	-
Depot Matching	-	9,102
May Day Committee	971	493
Boys and Girls Club	-	813
Capital Outlay:		
Farmers Market	37,436	-
Depot Renovation	88,972	-
Total Other	136,903	23,028
Total Culture and Recreation	151,081	34,608
GRAND TOTAL EXPENDITURES	$ 787,793	$ 716,465

CITY OF ARLINGTON, GEORGIA
COMMUNITY HOME INVESTMENT PROGRAM (CHIP)
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS

	JUNE 30, 2013	JUNE 30, 2012
ASSETS		
Cash and Cash Equivalents	$ 1	$ -
Total Assets	1	-
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	-	-
Due to General Fund	1	-
Total Liabilities	1	-
Fund Balance:		
Fund Balance Restricted for CHIP Projects	-	-
Total Fund Balance	-	-
Total Liabilities and Fund Balance	$ 1	$ -

CITY OF ARLINGTON, GEORGIA
COMMUNITY HOME INVESTMENT PROGRAM
SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEARS ENDED

	JUNE 30, 2013	JUNE 30, 2012
REVENUES		
Federal Government:		
Georgia Housing and Finance Authority-		
Community Home Investment Program	300,000	-
Total Revenues	300,000	-
EXPENDITURES		
Current:		
Housing and Development:		
Rehabilitation of Private Properties	300,000	-
Administration	-	-
Total Expenditures	300,000	-
Excess (Deficiency) of Revenues Over Expenditures	-	-
OTHER FINANCING SOURCES AND USES		
Transfers In	-	-
Transfers Out	-	-
Total Other Financing Sources (Uses)	-	-
Net Change in Fund Balance	-	-
Fund Balance - Beginning of Year	-	-
Fund Balance - End of Year	$ -	$ -

CITY OF ARLINGTON, GEORGIA
COMMUNITY HOME INVESTMENT PROGRAM (CHIP)
SPECIAL REVENUEUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(PROJECT COST SCHEDULE)
CHIP PROGRAM NO. 2011-804
FOR THE GRANT PERIOD DECEMBER 1, 2010 THROUGH MAY 1, 2014

	CHIP Activity Number	Latest Approved Budget (CHIP Funds)
REVENUES		
Federal Government:		
Georgia Department of Community Affairs		
Community Home Investment Program		$ 306,000
Total Revenues		306,000
EXPENDITURES		
Housing and Development:		
Rehabilitation of Private Properties		300,000
Administration		6,000
Total Expenditures		306,000
Excess (Deficiency) of Revenues Over Expenditures		-
Fund Balance - Beginning of Project		-
Fund Balance - End of Year		$ -

CITY OF ARLINGTON, GEORGIA
COMMUNITY HOME INVESTMENT PROGRAM
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(PROJECT COST SCHEDULE)
CHIP PROGRAM NO. 2011-804
FOR THE GRANT PERIOD DECEMBER 1, 2010 THROUGH MAY 1, 2014

Accumulative CHIP Expenditures To Date	Accumulative Expenditures To Date (Other Funds)	Grand Total Of Expenditures To Date	Questioned Costs
$ 300,000	$ 6,965	$ 306,965	
300,000	6,965	306,965	
300,000	-	300,000	$ -
-	6,965	6,965	-
300,000	6,965	306,965	$ -
-	-	-	
-	-	-	
$ -	$ -	$ -	

CITY OF ARLINGTON, GEORGIA
COMMUNITY HOME INVESTMENT PROGRAM
SOURCE AND APPLICATION OF FUNDS SCHEDULE
CHIP PROGRAM NO. 2011-804
FOR THE CUMULATIVE PERIOD ENDED JUNE 30, 2013

Total Fiscal Year 2011 CHIP Funds Awarded Recipient	$ 306,000
Less: Deobligations	-
Adjusted Total Fiscal Year 2011 CHIP Funds Awarded Recipient	306,000
Total Amount Drawndown by Recipient From DCA	300,000
Less: CHIP Funds Expended By Recipient	300,000
Amount of Fiscal Year 2011 CHIP Funds Held By Recipient	$ -

CAPITAL PROJECTS FUNDS

The capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Community Development Block Grant or CDBG - is used to account for a $500,000 Community Development Block Grant (CDBG) grant (Grant #: 12p-x-019-2-5494) for water and sewer improvements and flood and drainage facilities.

2012 Arlington Special Purpose Local Option Sales Tax (SPLOST) Fund - is used to account for the estimated $247,000 in tax proceeds to be collected over a six year period beginning January 1, 2012. The proceeds are to be used to finance capital outlay projects including construction of, improvements to, equipment for, and alterations of city buildings and facilities, and streets and roads.

2007 Arlington Special Purpose Local Option Sales Tax (SPLOST) Fund - used to account for the estimated $183,310 in tax proceeds to be collected over a five year period beginning July 1, 2008. The proceeds are to be used to finance improvements to the water and sewer system, for road, street and bridge purposes, and for recreation purposes.

DEBT SERVICE FUND

The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

CITY OF ARLINGTON, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

	Capital Projects			Debt Service	Total Nonmajor Governmental Funds
	CDBG	2012 SPLOST	2007 SPLOST		
ASSETS					
Cash and Cash Equivalents	$ 88	$ 35,889	$ 91,370	$ -	$ 127,347
SPLOST Receivable	-	6,265	3,055	-	9,320
Due from General Fund	12	-	-	-	12
Total Assets	100	42,154	94,425	-	136,679
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts Payable	-	-	-	-	-
Total Liabilities	-	-	-	-	-
Fund Balance:					
Fund Balance Restricted For:					
CDBG Projects	100	-	-	-	100
SPLOST Projects	-	42,154	94,425	-	136,579
Fund Balance Assigned For:					
Debt Service	-	-	-	-	-
Total Fund Balance	100	42,154	94,425	-	136,679
Total Liabilities And Fund Balance	$ 100	$ 42,154	$ 94,425	$ -	$ 136,679

CITY OF ARLINGTON, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Capital Projects				Total Nonmajor Governmental Funds
	CDBG	2012 SPLOST	2007 SPLOST	Debt Service	
REVENUES					
Intergovernmental	$ 48,223	$ 47,134	$ 36,662	$ -	$ 132,019
Miscellaneous	-	152	710	-	862
Total Revenues	48,223	47,286	37,372	-	132,881
EXPENDITURES					
Capital Outlay	48,123	11,350	61,081	-	120,554
Debt Service	-	-	-	30,915	30,915
Total Expenditures	48,123	11,350	61,081	30,915	151,469
Excess (Deficiency) of Revenues Over Expenditures	100	35,936	(23,709)	(30,915)	(18,588)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	30,915	30,915
Transfers Out	-	(11,072)	-	-	(11,072)
Total Other Financing Sources (Uses)	-	(11,072)	-	30,915	19,843
Net Change in Fund Balance	100	24,864	(23,709)	-	1,255
Fund Balance - Beg of Year	-	17,290	118,134	-	135,424
Fund Balance - End of Year	$ 100	$ 42,154	$ 94,425	$ -	$ 136,679

CITY OF ARLINGTON, GEORGIA
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS

	JUNE 30, 2013	JUNE 30, 2012
ASSETS		
Cash and Cash Equivalents	$ 88	$ -
Due from General Fund	12	-
Total Assets	100	-
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	-	-
Total Liabilities	-	-
Fund Balance:		
Fund Balance Restricted for CDBG Projects	100	-
Total Fund Balance	100	-
Total Liabilities and Fund Balance	$ 100	$ -

CITY OF ARLINGTON, GEORGIA
COMMUNITY DEVELOPMENT BLOCK GRANT
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEARS ENDED

	JUNE 30, 2013	JUNE 30, 2012
REVENUES		
Federal Government:		
Georgia Department of Community Affairs- Community Development Block Grant	48,223	-
Total Revenues	48,223	-
EXPENDITURES		
Capital Outlay:		
Engineering - Water/Sewer Improvements	32,303	-
Sewer Facilities	-	-
Flood and Drainage Facilities	-	-
Engineering - Street Improvements/Flood and Drainage	-	-
Administration	15,820	-
Total Expenditures	48,123	-
Excess (Deficiency) of Revenues Over Expenditures	100	-
Fund Balance - Beginning of Year	-	-
Fund Balance - End of Year	$ 100	$ -

CITY OF ARLINGTON, GEORGIA
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(PROJECT COST SCHEDULE)
CDBG PROGRAM NO. 12p-x-019-2-5494
FOR THE GRANT PERIOD SEPTEMBER 28, 2012 THROUGH SEPTEMBER 28, 2014

	CDBG Activity Number	Latest Approved Budget (CDBG Funds)
REVENUES		
Federal Government:		
Georgia Department of Community Affairs		
Community Development Block Grant		$ 500,000
Total Revenues		500,000
EXPENDITURES		
Engineering - Water/Sewer Improvements	T-03J-00	36,285
Sewer Facilities	P-03J-02	385,705
Flood and Drainage Facilities	P-03J-02	9,522
Engineering - Street Improvements/Flood & Drainage	T-03K-02	1,143
Administration	A-21A-00	30,000
Contingencies - Unprogramed Funds	C-022-00	37,345
Total Expenditures		500,000
Excess (Deficiency) of Revenues Over Expenditures		-
Fund Balance - Beginning of Project		-
Fund Balance - End of Year		$ -

CITY OF ARLINGTON, GEORGIA
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(PROJECT COST SCHEDULE)
CDBG PROGRAM NO. 12p-x-019-2-5494
FOR THE GRANT PERIOD SEPTEMBER 28, 2012 THROUGH SEPTEMBER 28, 2014

Accumulative CDBG Expenditures To Date	Accumulative Expenditures To Date (Other Funds)	Grand Total Of Expenditures To Date	Questioned Costs
$ 48,223	$ -	$ 48,223	
48,223	-	48,223	
32,303	-	32,303	$ -
-	-	-	-
-	-	-	-
-	-	-	-
15,820	-	15,820	-
-	-	-	-
48,123	-	48,123	$ -
100	-	100	
-	-	-	
$ 100	$ -	$ 100	

CITY OF ARLINGTON, GEORGIA
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
SOURCE AND APPLICATION OF FUNDS SCHEDULE
CDBG PROGRAM NO. 12p-x-019-2-5494
FOR THE CUMULATIVE PERIOD ENDED JUNE 30, 2013

Total Fiscal Year 2012 CDBG Funds Awarded Recipient	$ 500,000
Less: Deobligations	-
Adjusted Total Fiscal Year 2012 CDBG Funds Awarded Recipient	500,000
Total Amount Drawndown by Recipient From DCA	48,223
Less: CDBG Funds Expended By Recipient	48,123
Amount of Fiscal Year 2012 CDBG Funds Held By Recipient	$ 100

CITY OF ARLINGTON, GEORGIA
2012 ARLINGTON SPECIAL PURPOSE LOCAL OPTION SALES TAX (SPLOST)
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS

	JUNE 30, 2013	JUNE 30, 2012
ASSETS		
Cash and Cash Equivalents	$ 35,889	$ 8,981
Special Purpose Local Option Sales Tax Receivable	6,265	8,309
Total Assets	42,154	17,290
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	-	-
Total Liabilities	-	-
Fund Balance		
Fund Balance Restricted for SPLOST Projects	42,154	17,290
Total Fund Balance	42,154	17,290
Total Liabilities and Fund Balance	$ 42,154	$ 17,290

CITY OF ARLINGTON, GEORGIA
2012 ARLINGTON SPECIAL PURPOSE LOCAL OPTION SALES TAX (SPLOST)
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEARS ENDED

	JUNE 30, 2013	JUNE 30, 2012
REVENUES		
Early County, Georgia:		
Special Purpose Local Option Sales Tax	$ 47,134	$ 24,460
Miscellaneous - Interest Earnings	152	14
Total Revenues	47,286	24,474
EXPENDITURES		
Capital Outlay:		
Depot Renovation	11,350	-
2012 Dodge Charger Police Car	-	35,894
Bad Boy Outlaw Zero Turn Mower	-	7,184
Total Expenditures	11,350	43,078
Excess (Deficiency) of Revenues Over Expenditures	35,936	18,604
OTHER FINANCING SOURCES AND USES		
Transfers In	-	35,894
Transfers Out	(11,072)	-
Total Other Financing Sources (Uses)	(11,072)	35,894
Net Change in Fund Balance	24,864	17,290
Fund Balance - Beginning of Year	17,290	-
Fund Balance - End of Year	$ 42,154	$ 17,290

CITY OF ARLINGTON, GEORGIA
2007 ARLINGTON SPECIAL PURPOSE LOCAL OPTION SALES TAX (SPLOST)
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS

	JUNE 30, 2013	JUNE 30, 2012
ASSETS		
Cash and Cash Equivalents	$ 91,370	$ 118,134
Special Purpose Local Option Sales Tax Receivable	3,055	-
Total Assets	94,425	118,134
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	-	-
Total Liabilities	-	-
Fund Balance		
Fund Balance Restricted for SPLOST Projects	94,425	118,134
Total Fund Balance	94,425	118,134
Total Liabilities and Fund Balance	$ 94,425	$ 118,134

CITY OF ARLINGTON, GEORGIA
2007 ARLINGTON SPECIAL PURPOSE LOCAL OPTION SALES TAX (SPLOST)
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEARS ENDED

	JUNE 30, 2013	JUNE 30, 2012
REVENUES		
Calhoun County, Georgia:		
Special Purpose Local Option Sales Tax	$ 36,662	$ 33,607
Miscellaneous - Interest Earnings	710	901
Total Revenues	37,372	34,508
EXPENDITURES		
Capital Outlay:		
2012 Ford F-150	17,923	-
Husqvarna Trimmer	371	-
Water and Sewerage Equipment	42,787	-
Golf Cart	-	7,500
Total Expenditures	61,081	7,500
Excess (Deficiency) of Revenues Over Expenditures	(23,709)	27,008
Fund Balance - Beginning of Year	118,134	91,126
Fund Balance - End of Year	$ 94,425	$ 118,134

CITY OF ARLINGTON, GEORGIA
DEBT SERVICE FUND
COMPARATIVE BALANCE SHEETS

	JUNE 30, 2013	JUNE 30, 2012
ASSETS		
Cash and Cash Equivalents	$ -	$ -
Total Assets	-	-
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	-	-
Total Liabilities	-	-
Fund Balance:		
Fund Balance Assigned for Debt Service	-	-
Total Fund Balance	-	-
Total Liabilities and Fund Balance	$ -	$ -

CITY OF ARLINGTON, GEORGIA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2012

	Totals			
	2013		Variance Over	2012
	Budget	Actual	(Under)	Actual
REVENUES				
Miscellaneous	$ -	$ -	$ -	$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Principal Retirement	26,916	27,480	(564)	14,471
Interest Paid	3,316	3,435	(119)	1,801
Total Expenditures	30,232	30,915	(683)	16,272
Excess (Deficiency) of Revenues Over Expenditures	(30,232)	(30,915)	(683)	(16,272)
OTHER FINANCING SOURCES (USES)				
Proceeds of Long-Term Debt	-	-	-	70,644
Transfer In	30,232	30,915	683	16,272
Transfer Out	-	-	-	(70,644)
Total Other Financing Sources (Uses)	30,232	30,915	-	16,272
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beg of Year	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ -	$ -

CITY OF ARLINGTON, GEORGIA
MAJOR PROPRIETARY FUNDS
JUNE 30, 2013

ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through use charges.

Water and Sewerage Fund - is used to account for the provision of water and sewerage services to the residents of the City of Arlington, Georgia. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service, billing, and collecting.

CITY OF ARLINGTON, GEORGIA
WATER AND SEWERAGE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION

	JUNE 30, 2013	JUNE 30, 2012
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 164,797	$ 149,260
Investment in Certificate of Deposit	37,096	77,689
Accounts Receivable	21,934	23,603
Restricted Assets:		
Cash and Cash Equivalents	27,574	41,150
Total Current Assets	251,401	291,702
Non-current Assets:		
Restricted Assets:		
Investment in Certificate of Deposit- Reserve and Renewal Extension Fund	69,792	69,792
Capital Assets:		
Water & Sewerage System	6,675,280	6,595,314
Machinery & Equipment	68,929	68,929
	6,744,209	6,664,243
Less Accumulated Depreciation	(1,560,949)	(1,420,374)
Net Capital Assets	5,183,260	5,243,869
Deferred Charges	-	24,975
Deposits	200	200
Total Non-current Assets	5,253,252	5,338,836
Total Assets	$ 5,504,653	$ 5,630,538

CITY OF ARLINGTON, GEORGIA
WATER AND SEWERAGE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION

	JUNE 30, 2013	JUNE 30, 2012
LIABILTIES AND NET POSITION		
Current Liabilities:		
Accounts Payable	$ 22,726	$ 17,925
Payable from Restricted Assets:		
Revenue Bond - 2009 Series	15,473	14,830
Customer Deposits	39,153	40,851
Total Current Liabilities	77,352	73,606
Long-Term Liabilities:		
Revenue Bond - 2009 Series	1,269,602	1,285,076
Total Long-Term Liabilities	1,269,602	1,285,076
Total Liabilities	1,346,954	1,358,682
Net Position:		
Net Investment in Capital Assets	3,898,185	3,943,963
Restricted	-	-
Unrestricted	259,514	327,893
Total Net Position	4,157,699	4,271,856
Total Liabilities and Net Position	$ 5,504,653	$ 5,630,538

CITY OF ARLINGTON, GEORGIA
WATER AND SEWERAGE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
FOR THE YEARS ENDED

	JUNE 30, 2013	JUNE 30, 2012
OPERATING REVENUES		
Water & Sewerage Charges	$ 297,135	$ 335,979
Cut-on & Tap Fees	11,528	10,325
Penalties and Miscellaneous	8,389	13,635
Total Operating Revenues	317,052	359,939
OPERATING EXPENSES		
Salaries and Payroll Costs	67,308	79,166
Drinking Water Fees and Lab Tests	55,340	50,354
Maintenance and Repairs	27,581	33,094
Materials and Supplies	96,271	100,906
Electricity	62,851	59,956
Other Operating Expenses	21,751	11,330
Depreciation	140,575	144,571
Total Operating Expenses	471,677	479,377
Operating Loss	(154,625)	(119,438)
NON-OPERATING REVENUES AND EXPENSES		
Interest Income	3,760	3,184
Amortization of Bond Issuance Costs	-	(675)
Interest Expense	(54,962)	(56,425)
Total Non-Operating Revenues and Expenses	(51,202)	(53,916)
Net Income Before Contributions and Transfers	(205,827)	(173,354)
CONTRIBUTIONS		
2007 Arlington SPLOST Fund	42,787	7,500
CDBG Fund	48,123	-
Total Contributions	90,910	7,500
TRANSFERS		
Transfer In	30,200	7,971
Transfer Out	(4,465)	-
Net Transfers	25,735	7,971
Net Loss	(89,182)	(157,883)
Net Position - Beginning of Year (2013 Restated)	4,246,881	4,429,739
Net Position - End of Year	$ 4,157,699	$ 4,271,856

CITY OF ARLINGTON, GEORGIA
WATER AND SEWERAGE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED

	JUNE 30, 2013	JUNE 30, 2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received From Customers	$ 317,024	$ 362,760
Cash Paid to Employees for Services	(51,796)	(35,898)
Cash Paid To Other Suppliers of Goods and Services	(263,562)	(296,401)
Net Cash Provided (Used) by Operating Activities	1,666	30,461
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers From Other Funds	30,200	7,971
Transfers To Other Funds	(4,465)	-
Net Cash Provided (Used) by Non-Capital Financing Activities	25,735	7,971
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES		
Principal Paid on Revenue Bonds	(14,830)	(42,067)
Interest Paid on Revenue Bonds	(54,962)	(57,125)
Acquisition and Construction of Capital Assets	-	(19,959)
Net Cash Provided (Used) by Capital & Related Financing Activities	(69,792)	(119,151)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Income	3,760	3,184
Certificate of Deposit-Interest Reinvestment	(2,443)	(1,753)
Certificate of Deposit Redemption	43,035	-
Net Cash Provided (Used) by Investing Activities	44,352	1,431
Net Increase (Decrease) in Cash and Cash Equivalents	1,961	(79,288)
Cash and Cash Equivalents - Beginning of Year	190,410	269,698
Cash and Cash Equivalents - End of Year	$ 192,371	$ 190,410
RECONCILIATION OF CASH AND CASH EQUIVALENTS ON BALANCE SHEETS		
Cash and Cash Equivalents-Unrestricted	$ 164,797	$ 149,260
Cash and Cash Equivalents-Restricted	27,574	41,150
Total Cash and Cash Equivalents	$ 192,371	$ 190,410

CITY OF ARLINGTON, GEORGIA
WATER AND SEWERAGE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED

	JUNE 30, 2013	JUNE 30, 2012
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Loss	$ (154,625)	$ (119,438)
Adjustments to Reconcile Operating Income To Net Cash Provided (Used) by Operating Activities:		
Depreciation Expense	140,575	144,571
Capital Assets Contributed by 2007 SPLOST Fund Not Meeting Capitalization Threshold	10,944	-
(Increase) Decrease in Accounts Receivable	1,669	(1,269)
Increase (Decrease) in Accounts Payable	4,801	2,507
Increase (Decrease) in Customer Deposits	(1,698)	4,090
Total Adjustments	156,291	149,899
Net Cash Provided (Used) By Operating Activities	$ 1,666	$ 30,461
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Capital Assets Contributed by 2007 SPLOST Fund	$ 31,843	$ 7,500
Capital Assets Contributed by CDBG Fund	$ 48,123	$ -

AGENCY FUNDS

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.

Arlington Recorder Court Agency Fund - is used to account for fines and bond forfeitures (including applicable surcharges) collected and the disbursement of those monies to other parties.

CITY OF ARLINGTON, GEORGIA
ARLINGTON RECORDER COURT AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2013

	Beginning Balance	Additions	Deductions	Ending Balance
ASSETS				
Cash and Cash Equivalents	$ 1,966	$ 22,484	$ (23,713)	$ 737
Total Assets	1,966	22,484	(23,713)	737
LIABILITIES				
Due to P.O.A.B.	-	822	(817)	5
Due to G.S.C.C.C.A	-	3,297	(3,242)	55
Due to Calhoun County Jail Fund	13	1,500	(1,454)	59
Due to Courthouse Solutions	15	1,185	(1,200)	-
Due to Victims Assistance Program	7	584	(551)	40
Due to Drug Abuse Program	-	331	(331)	-
Due to City of Arlington General Fund	1,931	11,520	(12,873)	578
Miscellaneous Fees and Costs	-	3,245	(3,245)	-
Total Liabilities	$ 1,966	$ 22,484	$ (23,713)	$ 737

COMPONENT UNITS

Arlington Downtown Development Authority - is a legally separate entity promoting development in the downtown area.

CITY OF ARLINGTON, GEORGIA
ARLINGTON DOWNTOWN DEVELOPMENT AUTHORITY - COMPONENT UNIT
COMPARATIVE BALANCE SHEETS

	JUNE 30, 2013	JUNE 30, 2012
ASSETS		
Cash and Cash Equivalents	$ 5,864	$ 11,195
Total Assets	5,864	11,195
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts Payable	600	1,000
Total Liabilities	600	1,000
Fund Equity:		
Fund Balance Reserved for Downtown Development Projects	5,264	10,195
Total Fund Equity	5,264	10,195
Total Liabilities and Fund Equity	$ 5,864	$ 11,195

CITY OF ARLINGTON, GEORGIA
ARLINGTON DOWNTOWN DEVELOPMENT AUTHORITY - COMPONENT UNIT
COMPARATIVE STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEARS ENDED

	JUNE 30, 2013	JUNE 30, 2012
REVENUES		
Miscellaneous:		
Rent	$ 1,195	$ -
Contributions	100	950
Interest	51	-
Total Miscellaneous	1,346	950
Total Revenues	1,346	950
EXPENDITURES		
Depot Expenses	1,241	-
Dues and Fees	-	1,375
Beautification	-	974
Miscellaneous	22	313
Capital Outlay:		
Purchase of Land for Farmers Market	5,014	-
Total Expenditures	6,277	2,662
Excess (Deficiency) of Revenues Over Expenditures	(4,931)	(1,712)
Fund Balance - Beginning of Year	10,195	11,907
Fund Balance - End of Year	$ 5,264	$ 10,195

SUPPLEMENTAL SCHEDULES

CITY OF ARLINGTON, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH
2007-2013 SPECIAL PURPOSE LOCAL OPTION SALES TAX
FOR THE YEAR ENDED JUNE 30, 2012

Project	Estimated Original Cost	Estimated Current Cost	Expenditures Prior Years	Expenditures Current Year	Total	Estimated Percentage of Completion
Water and Sewer System Improv.	$ 103,310	$ 103,310	$ 7,500	$ 42,787	$ 50,287	48.68%
Roads, Streets, and Bridges	50,000	50,000	20,032	17,664	37,696	75.39%
Recreational Purposes	30,000	30,000	-	-	-	0.00%
Totals	$ 183,310	$ 183,310	$ 27,532	$ 60,451	$ 87,983	48.00%

CITY OF ARLINGTON, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH
2012-2017 SPECIAL PURPOSE LOCAL OPTION SALES TAX
FOR THE YEAR ENDED JUNE 30, 2012

Project	Estimated Original Cost	Estimated Current Cost	Expenditures Prior Years	Expenditures Current Year	Total	Estimated Percentage of Completion
Capital Outlay Projects, Including Construction of, Improvements to, Equipment for, and Alterations of City Buildings and Facilities, and Streets and Roads:	$ 247,000	$ 247,000	$ *	$ *	$ *	*
Depot Renovation	*	*	-	11,350	11,350	100.00%
2012 Dodge Charger Police Car	*	*	35,894	-	35,894	100.00%
Bad Boy Zero Turn Mower	*	*	7,184	-	7,184	100.00%
Totals	$ 247,000	$ 247,000	$ 43,078	$ 11,350	$ 54,428	22.04%

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

To the City Council
City of Arlington, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Arlington, Georgia, as of and for the year ended June 30, 2013, and the related notes to the financial statements which collectively comprise City of Arlington, Georgia's basic financial statements and have issued our report thereon dated January 8, 2014. Our report includes a reference to the changes in accounting principle resulting from the adoption of Governmental Accounting Standards Board (GASB) Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, GASB Statement No. 61, *The Financial Reporting Entity - An Amendment of GASB Statements No. 14 and No. 34*, GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting to Termination Provisions*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses. [2013-001].

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. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies. [2013-002].

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Arlington, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items [2013-003].

City of Arlington, Georgia's Response to Findings

City of Arlington, Georgia's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. City of Arlington, Georgia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

/s/ Brown & McDaniel, CPAs, LLC

Albany, Georgia
January 8, 2014

CITY OF ARLINGTON, GEORGIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013

FINANCIAL STATEMENT FINDINGS:

Internal Control Over Financial Reporting

2012-1 Prior Audit Finding: Segregation of Duties

Status and/or Corrective Action: The City concurred with this finding and has implemented procedures to mitigate the effects of this condition.

Compliance

2012-2 Prior Audit Finding: Expenditures Over Appropriations

Status and/or Corrective Action: The City concurred with this finding and continues to address the need for budget-actual comparisons for the purpose of determining whether or not budget revisions are necessary.

CITY OF ARLINGTON, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2013

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:		Unqualified
Internal control over financial reporting:		
Material weakness(es) identified?	x yes	no
Significant deficiencies identified?	x yes	none reported
Noncompliance material to financial statements noted?	x yes	no

Section II - Financial Statement Findings

MATERIAL WEAKNESSES

2013-001 Financial Statement Preparation

Criteria: Entities should have the capability of performing accounting functions and preparing financial statements, including the note disclosures, and should have the skills and competencies necessary to prevent, or detect and correct, a misstatement.

Condition: Management does not possess the capability of preparing the financial statements, including note disclosures and so the auditor was requested to draft them. However, the auditor cannot be considered part of the City's internal control and thus controls that exist over financial statement preparation at the auditor's firm cannot be considered as a part of the City's internal control.

Context: Not applicable.

Effect: Not applicable.

Cause: Not applicable

Recommendation: We recommend that the City continue with its present procedures to evaluate the auditor-prepared financial statements, including note disclosures.

Views of Responsible Officials: The City of Arlington, Georgia agrees with this finding but believes that it is accepted practice for smaller governments to request that the auditor assist in the preparation of the financial statements, including note disclosures. Procedures are in place to thoroughly review the auditor-prepared financial statements and management believes they are adequate to prevent, detect, and correct any material misstatement.

CITY OF ARLINGTON, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2013

SIGNIFICANT DEFICIENCIES

2013-002 Segregation of Duties. (repeat finding)

Criteria: Segregation of conflicting duties (i.e. custody of assets, authorization of transactions, and recording of transactions) is a basic internal control designed to safeguard assets and facilitate proper recording of transactions.

Condition: During the performance of our audit, we noted that due to economic reasons the City of Arlington, Georgia is limited in the number of personnel that are employed and that personnel exercise a high degree of control over individual transactions and must perform duties inconsistent with proper segregation of internal control.

Context: Not applicable.

Effect: Failure to adequately segregate accounting functions can adversely affect the City of Arlington, Georgia's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Cause: The City of Arlington, Georgia is a relatively small organization with limited financial resources.

Recommendation: The benefits to be gained by fully segregating conflicting duties through the hiring of additional personnel are justified by the costs. Therefore, those charged with governance should be ever mindful of the risks involved with this condition; should require and carefully monitor periodic financial reports; and question any transactions or amounts not fully understood.

Views of Responsible Officials: The City of Arlington, Georgia agrees with this finding and those charged with governance will continue the present efforts to monitor closely the financial activities of the City of Arlington, Georgia to ensure accurate financial processing and safeguarding of the City of Arlington, Georgia's assets.

COMPLIANCE

2013-003 Expenditures Over Appropriations.

Criteria: Local governments are required by law to adopt and operate under an annual balanced budget for the general fund, each special revenue fund, and each debt service fund in use by the local government. This does not preclude the government from amending its budget to adapt to changing governmental needs during the budget period.

Condition: While the City of Arlington, Georgia's internal control over financial reporting to ensure that expenditures do not exceed appropriations appears to be operating as designed and is therefore generally effective in meeting the above criteria, the following funds/departments exceeded their appropriations by the corresponding amounts:

Debt Service	683

CITY OF ARLINGTON, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2013

Context: Not applicable.

Effect: The City is violating state statutes.

Cause: Not applicable.

Recommendation: We recommend the City continue its present efforts to ensure that expenditures do not exceed appropriations in accordance with the foregoing criteria.

Views of Responsible Officials: The City of Arlington, Georgia agrees with this finding and will continue to address the need for regular reviews of budget-actual comparisons of financial data for each City department and recommend amendments when necessary, whether the result of reallocating existing budgetary line items or incorporating the availability of additional resources not anticipated when the original budget was adopted.