CITY OF ARLINGTON, GEORGIA
Arlington, Georgia

Financial Statements
and Supplemental Information

For the Fiscal Year Ended
June 30, 2015

And

Auditor's Report

CITY OF ARLINGTON, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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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, 2015, 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, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 36-42 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, 2014, 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, 2014 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, 2014 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 February 9, 2016, 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
February 9, 2016

BASIC FINANCIAL STATEMENTS

CITY OF ARLINGTON, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2015

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and Cash Equivalents	$ 241,252	$ 173,828	$ 415,080	$ 1,037
Investments	1,871	38,933	40,804	-
Receivables	41,511	40,147	81,658	-
Restricted Assets:				
Cash and Cash Equivalents	-	16,611	16,611	-
Investments	-	69,792	69,792	-
Deposits	-	200	200	-
Capital Assets - Not Being Depreciated	73,631	66,985	140,616	49,030
Capital Assets, Net of Accumulated Depreciation	893,121	5,372,661	6,265,782	-
Total Assets	1,251,386	5,779,157	7,030,543	50,067
LIABILITIES				
Accounts Payable	26,958	23,725	50,683	-
Accrued Liabilities	2,565	-	2,565	-
Customer Deposits Payable	-	41,658	41,658	-
Non-current Liabilities:				
Due Within One Year	-	16,671	16,671	-
Due In More Than One Year	-	1,237,387	1,237,387	-
Total Liabilities	29,523	1,319,441	1,348,964	-
NET POSITION				
Net Investment in Capital Assets	966,752	4,185,588	5,152,340	49,030
Restricted:				
Special Revenue Projects	-	-	-	1,037
Capital Projects	119,392	-	119,392	-
Unrestricted	135,719	274,128	409,847	-
Total Net Position	$1,221,863	$ 4,459,716	$ 5,681,579	$ 50,067

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

CITY OF ARLINGTON, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

Functions/Program	Expenses	Program Revenues: Charges For Services	Program Revenues: Grants and Contributions: Operating	Program Revenues: Grants and Contributions: Capital
Governmental Activities:				
General Government	$ 158,042	$ 16,646	$ -	$ -
Public Safety	241,860	22,746	-	-
Public Works	310,878	116,171	18,654	89,819
Culture and Recreation	35,452	14,045	1,200	-
Interest (Long-Term Debt)	1,504	-	-	-
Total Governmental Activities	747,736	169,608	19,854	89,819
Business-Type Activities:				
Water and Sewerage	546,413	436,253	-	30,000
Total Business-Type Activities	546,413	436,253	-	30,000
Total Primary Government	$ 1,294,149	$ 605,861	$ 19,854	$ 119,819
Component Units	$ 13,006	$ 10,388	$ -	$ -

General Revenues:
  Taxes:
    Property Taxes
    Local Option Sales Taxes
    Alcoholic Beverage Taxes
    Insurance Premiums Tax
    Franchise Taxes
    Excise Tax on Energy
    Railroad Equipment Tax
    Housing Authority - In Lieu of 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

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, 2015

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Units
$ (141,396)	$ -	$ (141,396)	$ -
(219,114)	-	(219,114)	-
(86,234)	-	(86,234)	-
(20,207)	-	(20,207)	-
(1,504)	-	(1,504)	-
(468,455)	-	(468,455)	-
-	(80,160)	(80,160)	-
-	(80,160)	(80,160)	-
-	-	(548,615)	-
-	-	-	(2,618)
233,311	-	233,311	-
90,022	-	90,022	-
17,364	-	17,364	-
79,608	-	79,608	-
79,944	-	79,944	-
13,065	-	13,065	-
3,048	-	3,048	-
630	-	630	-
738	-	738	-
891	2,418	3,309	15
7,440	-	7,440	-
(38,800)	38,800	-	-
487,261	41,218	528,479	15
18,806	(38,942)	(20,136)	(2,603)
1,203,057	4,498,658	5,701,715	52,670
$ 1,221,863	$ 4,459,716	$ 5,681,579	$ 50,067

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

CITY OF ARLINGTON, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	General	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	$ 126,822	$ 114,430	$ 241,252
Investment	1,871	-	1,871
Receivables	34,226	7,285	41,511
Due From Other Funds	2,688	3,255	5,943
Total Assets	165,607	124,970	290,577
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	26,958	-	26,958
Accrued Liabilities	2,565	-	2,565
Due to Other Funds	365	5,578	5,943
Total Liabilities	29,888	5,578	35,466
Fund Balances:			
Restricted	-	119,392	119,392
Assigned	61,462	-	61,462
Unassigned	74,257	-	74,257
Total Fund Balances	135,719	119,392	255,111
Total Liabilities and Fund Balances	$ 165,607	$ 124,970	
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			966,752
Long-Term Liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds			-
Net Position of Governmental Activities			$ 1,221,863

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, 2015

	General	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	$ 517,730	$ -	$ 517,730
Licenses and Permits	16,646	-	16,646
Fines and Forfeitures	22,746	-	22,746
Charges for Services	116,171	-	116,171
Intergovernmental	19,854	88,889	108,743
Miscellaneous	22,376	930	23,306
Total Revenues	715,523	89,819	805,342
EXPENDITURES			
Current:			
General Government	139,242	12	139,254
Public Safety	207,535	-	207,535
Public Works	270,613	-	270,613
Culture and Recreation	22,087	-	22,087
Capital Outlay		52,049	52,049
Debt Service:			
Principal	-	52,183	52,183
Interest	-	1,504	1,504
Total Expenditures	639,477	105,748	745,225
Excess (Deficiency) of Revenues Over Expenditures	76,046	(15,929)	60,117
OTHER FINANCING SOURCES (USES)			
Transfers In	-	53,707	53,707
Transfers Out	(18,573)	(41,899)	(60,472)
Total Other Financing Sources (Uses)	(18,573)	11,808	(6,765)
Net Change in Fund Balances	57,473	(4,121)	53,352
Fund Balances - Beg of Year	78,246	123,513	201,759
Fund Balances - End of Year	$ 135,719	$ 119,392	$ 255,111

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, 2015

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"	$ 53,352
Governmental funds report capital outlays as expenditures. However, in the "Statement of Activities" the costs of those assets, which exceed the capitalization threshold, 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	7,980
Depreciation Expense	(94,709)
	(86,729)
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	52,183
Proceeds of Long-Term Debt	-
	52,183
Change in Net Position of governmental activities reported in the "Statement of Activities"	$ 18,806

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

CITY OF ARLINGTON, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

	Business-Type Activities Enterprise Funds Water Sewerage
ASSETS	
Current Assets:	
Cash and Cash Equivalents	$ 173,828
Investments	38,933
Accounts Receivables	40,147
Restricted Assets:	
Cash and Cash Equivalents	16,611
Total Current Assets	269,519
Non-current Assets:	
Restricted Assets - Investments	69,792
Capital Assets:	
Land and Construction in Progress	66,985
Other Capital Assets, Net of Accumulated Depreciation	5,372,661
Deposits	200
Total Non-current Assets	5,509,638
Total Assets	5,779,157
LIABILITIES	
Current Liabilities:	
Accounts Payable	23,725
Payable from Restricted Assets:	
Revenue Bond - 2009 Series	16,671
Customer Deposits	41,658
Total Current Liabilities	82,054
Long-Term Liabilities:	
Revenue Bond Payable - 2009 Series	1,237,387
Total Long-Term Liabilities	1,237,387
Total Liabilities	1,319,441
NET POSITION	
Net Investment in Capital Assets	4,185,588
Restricted	-
Unrestricted	274,128
Total Net Position	$ 4,459,716

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
FOR THE YEAR ENDED JUNE 30, 2015

	Business-Type Activities Enterprise Funds Water Sewerage
OPERATING REVENUES	
Water and Sewerage Charges	$ 413,763
Cut-On and Tap Fees	8,291
Penalties and Miscellaneous	14,199
Total Operating Revenues	436,253
OPERATING EXPENSES	
Administration and Operations	345,771
Depreciation	146,969
Total Operating Expenses	492,740
Operating (Loss)	(56,487)
NON-OPERATING REVENUES AND EXPENSES	
Interest Income	2,418
Interest Expense	(53,673)
Total Non-Operating Revenues and Expenses	(51,255)
Net Loss Before Contributions and Transfers	(107,742)
CONTRIBUTIONS	
2013 Arlington SPLOST Fund	1,007
2007 Arlington SPLOST Fund	6,474
CDBG Fund	24,554
Federal Government - USDA - SEARCH Grant	30,000
Total Contributions	62,035
TRANSFERS	
Transfers In	10,863
Transfers Out	(4,098)
Net Transfers	6,765
Change in Net Position	(38,942)
Net Position - Beg of Year	4,498,658
Net Position - End of Year	$ 4,459,716

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
FOR THE YEAR ENDED JUNE 30, 2015

	Business-Type Activities Enterprise Funds Water Sewerage
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received From Customers	$ 425,030
Cash Paid To Employees for Services	(53,814)
Cash Paid To Suppliers	(289,564)
Net Cash Provided by Operating Activities	81,652
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Transfers from Other Funds	10,863
Transfers to Other Funds	(4,098)
Net Cash Provided by Non-Capital Financing Activities	6,765
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal Paid on Revenue Bonds	(16,119)
Interest Paid on Revenue Bonds	(53,673)
Federal Government - USDA - SEARCH Grant	30,000
Acquisition and Construction of Capital Assets	(30,000)
Net Cash (Used) by Capital and Related Financing Activities	(69,792)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Income	2,418
Interest Reinvestment-Certificate of Deposit	(919)
Net Cash Provided by Investing Activities	1,499
Net Increase (Decrease) in Cash and Cash Equivalents	20,124
Cash and Cash Equivalents - Beg of Year	170,315
Cash and Cash Equivalents - End of Year	$ 190,439
RECONCILIATION OF CASH AND CASH EQUIVALENTS ON STATEMENT OF NET ASSETS	
Cash and Cash Equivalents-Current	$ 173,828
Cash and Cash Equivalents-Restricted	16,611
Total Cash and Cash Equivalents	$ 190,439

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
FOR THE YEAR ENDED JUNE 30, 2015

	Business-Type Activities Enterprise Funds Water Sewerage
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating Income	$ (56,487)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
Depreciation Expense	146,969
Rounding	(1)
(Increase) Decrease in Accounts Receivable	(11,998)
Increase (Decrease) in Accounts Payable	2,394
Increase (Decrease) in Customer Deposits	775
Total Adjustments	138,139
Net Cash Provided (Used) by Operating Activities	$ 81,652
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES	
Capital Assets Contributed by 2007 SPLOST Fund	$ 6,474
Capital Assets Contributed by 2013 SPLOST Fund	$ 1,007
Capital Assets Contributed by CDBG Fund	$ 24,554

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

CITY OF ARLINGTON, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2015

	Agency Funds
ASSETS	
Cash and Cash Equivalents	$ 7,559
Total Assets	7,559
LIABILITIES	
Due to Others	7,559
Total Liabilities	$ 7,559

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, 2015.

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 RC'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 $1,958 to the RC for the year ended June 30, 2015. 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 position 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.

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 POSITION 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 Pre-paids

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 $119,378. 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 of 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 of 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.

4. 2013 Special Purpose Local Option Sales Tax

On November 6, 2012, the citizens of Calhoun County, Georgia approved the continued collection of a special 1% local option sales tax for a period of six years beginning July 1, 2013. Under agreement dated June 28, 2012 with Calhoun County, Georgia, the City is to receive an estimated $247,500 or 7.50% of the tax proceeds over the collection period, with the City receiving the first distribution in September, 2013. The proceeds of the tax are to be used by the City to finance capital outlay projects for the City, including alterations to city building, voting equipment, public safety and public works, road, streets, sidewalks, water, and sewer improvements.

G. NEW ACCOUNTING PRONOUNCEMENTS

The City has adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*. GASBS 68 amends Statement No. 27, *Accounting for Pensions by State and Local Employers*, by replacing its requirements. GASBS 68 also replaces the requirements of GASBS 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria.

The City has adopted GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*. GASBS 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations.

The City has adopted GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. GASBS 70 establishes standards for when a guaranteeing government must recognize a liability and when an issuing government that obtains a guarantee must recognize revenue.

The City has adopted GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68*. GASBS 71 amends GASBS 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning pension liability.

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 public works and culture and recreation department in violation of O.C.G.A. 36-81-3 by $4,463 and $10,587 respectively.

2. Commingled SPLOST Funds

The City commingled SPLOST funds in violation of O.C.G.A. 48-8-121.

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 Mayor 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 Mayor 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 POSITION

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, 2015, the City's deposits had a carrying amount of $431,691 and a bank balance of $455,329. Of the bank balance, $255,640 was covered by federal depository insurance and $199,689 was secured by collateral held by the pledging bank's agent in the City's name.

Component Units

At June 30, 2014, the Arlington Downtown Development Authority's deposits had a carrying amount of $1,037 and a bank balance of $1,037. 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, 2015, the City's investments had a carrying amount of $110,596 and a bank balance of $110,596. Of the bank balance, none was covered by federal depository insurance and $110,596 was secured by collateral held by the pledging bank's agent in the City's name.

Component Units

At June 30, 2015, 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 (October 2) 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	$ 23,494	$ -	$ -	$ 23,494
Inter-governmental	-	-	7,285	7,285
Accounts	10,732	40,147	-	50,879
Other	-	-	-	-
Totals	$ 34,226	$ 40,147	$ 7,285	$ 81,658

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, 2015 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, 2014	$ 73,631	$ -	$ 860,727	$ 507,149	$ 748,241	$ 2,189,748
Increases	-	-	-	-	7,980	7,980
Decreases	-	-	-	-	(27,691)	(27,691)
Balance, June 30, 2015	73,631	-	860,727	507,149	728,530	2,170,037
Accumulated Depreciation:						
Balance, June 30, 2014	-	-	(435,220)	(230,329)	(470,718)	(1,136,267)
Increases	-	-	(22,924)	(25,358)	(46,427)	(94,709)
Decreases	-	-	-	-	27,691	27,691
Balance, June 30, 2015	-	-	(458,144)	(255,687)	(489,454)	(1,203,285)
Capital Assets, Net	$ 73,631	$ -	$ 402,583	$ 251,462	$ 239,076	$ 966,752
Business-Type Activities						
Balance, June 30, 2014	$ 36,985	$ 484,028	$ -	$6,628,038	$ 75,596	$ 7,224,647
Increases	-	54,554	-	516,063	-	570,617
Decreases	-	(508,582)	-	-	-	(508,582)
Balance, June 30, 2015	36,985	30,000	-	7,144,101	75,596	7,286,682
Accumulated Depreciation:						
Balance, June 30, 2014	-	-	-	(1,641,550)	(58,517)	(1,700,067)
Increases	-	-	-	(140,871)	(6,098)	(146,969)
Decreases	-	-	-	-	-	-
Balance, June 30, 2015	-	-	-	(1,782,421)	(64,615)	(1,847,036)
Capital Assets, Net	$ 36,985	$ 30,000	$ -	$5,361,680	$ 10,981	$ 5,439,646
Total Capital Assets, Net	$ 110,616	$ 30,000	$ 402,583	$5,613,142	$ 250,057	$ 6,406,398
Component Units						
Balance, June 30, 2014	$ 49,030	$ -	$ -	$ -	$ -	$ 49,030
Increases	-	-	-	-	-	-
Decreases	-	-	-	-	-	-
Balance, June 30, 2015	49,030	-	-	-	-	49,030
Accumulated Depreciation:						
Balance, June 30, 2014	-	-	-	-	-	-
Increases	-	-	-	-	-	-
Decreases	-	-	-	-	-	-
Balance, June 30, 2015	-	-	-	-	-	-
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	$ 17,912	Water and Sewerage	$ 146,969
Public Safety	32,629		
Public Works	39,376		
Culture and Recreation	4,792		
Totals	$ 94,709		$ 146,969

B. LIABILITIES

1. Short-Term Debt

Primary Government

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

	Balance July 1, 2014	Additions	Retirements	Balance June 30, 2015
Governmental Activities				
First State Bank of Blakely:				
For General Operating Costs at 5.00%	$ -	$ 30,000	$ (30,000)	$ -
Total Governmental Activities	-	30,000	(30,000)	-
Business-Type Activities				
First State Bank of Blakely:				
For General Operating Costs at 5.00%	$ -	$ 20,000	$ (20,000)	$ -
Total Business-Type Activities	-	20,000	(20,000)	-
Total Primary Government	$ -	$ 50,000	$ (50,000)	$ -

Component Units

The Arlington Downtown Development Authority had not short-term debt activity for the year.

2. 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, 2014	Additions	Retirements	Balance June 30, 2015	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)	$ 22,257	$ -	$ (22,257)	$ -	$ -
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)	8,964	-	(8,964)	-	-
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)	20,962	-	(20,962)	-	-
Totals Governmental Activities	$ 52,183	$ -	$ (52,183)	$ -	$ -
Business-Type Activities					
2009 Series, 4.25% Water And Sewerage System Revenue Bond, For Sewage System Improvements, (Original Amount $1,340,000)	$ 1,270,177	$ -	$ (16,119)	$ 1,254,058	$ 16,671
Totals Business-Type Activities	$ 1,270,177	$ -	$ (16,119)	$ 1,254,058	$ 16,671
Total Long-Term Debt	$ 1,322,360	$ -	$ (68,302)	$ 1,254,058	$ 16,671

The annual requirements to amortize the preceding obligations as of June, 30, 2015, are as follows:

Year Ending	Governmental Activities			Business-Type Activities		
June 30,	Principal	Interest	Total	Principal	Interest	Total
2016	$ -	$ -	$ -	$ 16,671	$ 53,121	$ 69,792
2017	-	-	-	17,540	52,252	69,792
2018	-	-	-	18,300	51,492	69,792
2019	-	-	-	19,093	50,699	69,792
2020	-	-	-	19,783	50,009	69,792
2021-2025	-	-	-	113,160	235,800	348,960
2026-2030	-	-	-	139,907	209,053	348,960
2031-2035	-	-	-	172,978	175,982	348,960
2036-2040	-	-	-	213,805	135,155	348,960
2041-2045	-	-	-	264,449	84,511	348,960
2046-2050	-	-	-	258,372	23,269	281,641
Totals	$ -	$ -	$ -	$ 1,254,058	$1,121,343	$ 2,375,401

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, 2015 was $219,195.

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:

CHIP Special Revenue Fund	$ 14
2007 Special Purpose Local Option Sales Tax Fund	21,650
2012 Special Purpose Local Option Sales Tax Fund	43,685
2013 Special Purpose Local Option Sales Tax Fund	54,043
Total Restricted Fund Balances	$ 119,392

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

Recreation	$ 8,335
Fire Department	3,321
Travel	23
May Day Festival	4,298
May Day Scholarship	1,011
Payroll Deductions	202
Grant Matching	44,272
Total Assigned Fund Balances	$ 61,462

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	$ 365	$ 2,688
2007 Special Purpose Local Option Sales Tax Fund	-	3,255
2012 Special Purpose Local Option Sales Tax Fund	2,688	-
2013 Special Purpose Local Option Sales Tax Fund	2,890	-
Totals	$ 5,943	$ 5,943

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						
Transfers In:	General Fund	2013 SPLOST Fund	2012 SPLOST Fund	CDBG Fund	2007 SPLOST Fund	Water & Sewer Fund	Total Transfers In
Governmental Activities							
General Fund	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CHIP Fund	20	-	-	-	-	-	20
Debt Service Fund	7,690	-	41,899	-	-	4,098	53,687
Total Governmental Activities	7,710	-	41,899	-	-	4,098	53,707
Business-Type Activities							
Water & Sewerage Fund	10,863	1,007	-	24,554	6,474	-	42,898
Total Business-Type Activities	10,863	1,007 *	-	24,554 *	6,474 *	-	42,898
Total Transfers Out	$ 18,573	$ 1,007	$ 41,899	$ 24,554	$ 6,474	$ 4,098	$ 96,605

* 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, 2015, the contributions of the employees and City amounted to $7,764 and $3,811 respectively. No plan forfeitures are included in the City's pension expense and the City had no liability for contributions at year end.

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, 2015.

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.

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, 2015

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes	$ 486,445	$ 486,445	$ 517,730	$ 31,285
Licenses and Permits	14,000	14,000	16,646	2,646
Fines and Forfeitures	12,000	12,000	22,746	10,746
Charges for Services	115,000	115,000	116,171	1,171
Intergovernmental Revenue	1,200	1,200	19,854	18,654
Miscellaneous Revenue	14,600	14,600	22,376	7,776
Total Revenues	643,245	643,245	715,523	72,278
EXPENDITURES				
General Government	148,575	148,575	139,242	9,333
Public Safety	220,720	220,720	207,535	13,185
Public Works	266,150	266,150	270,613	(4,463)
Culture and Recreation	11,500	11,500	22,087	(10,587)
Total Expenditures	646,945	646,945	639,477	7,468
Excess (Deficiency) of Revenues Over Expenditures	(3,700)	(3,700)	76,046	79,746
OTHER FINANCING SOURCES (USES)				
Re-appropriated Fund Balance	10,000	10,000	-	(10,000)
Transfers In	-	-	-	-
Transfers Out	(6,300)	(6,300)	(18,573)	(12,273)
Net Other Financing Source (Uses)	3,700	3,700	(18,573)	(22,273)
Net Change in Fund Balance	-	-	57,473	57,473
Fund Balance - Beg of Year	78,246	78,246	78,246	-
Fund Balance - End of Year	$ 78,246	$ 78,246	$ 135,719	$ 57,473

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, 2015

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
TAXES				
Property Taxes	$ 218,445	$ 218,445	$ 233,311	$ 14,866
Local Option Sales Taxes	97,000	97,000	90,022	(6,978)
Alcoholic Beverage Taxes	17,000	17,000	17,364	364
Insurance Premiums Tax	76,000	76,000	79,608	3,608
Franchise Taxes	76,000	76,000	79,944	3,944
Excise Tax on Energy	-	-	13,065	13,065
Railroad Equipment Tax	-	-	3,048	3,048
Housing Authority- In Lieu of Taxes	1,000	1,000	630	(370)
Real Estate Transfer Tax	-	-	62	62
Intangible Taxes	1,000	1,000	676	(324)
Total Taxes	486,445	486,445	517,730	31,285
LICENSES AND PERMITS				
Business Licenses	14,000	14,000	11,146	(2,854)
Other Licenses and Permits	-	-	5,500	5,500
Total Licenses and Permits	14,000	14,000	16,646	2,646
FINES AND FORFEITURES				
Fines and Forfeitures	12,000	12,000	22,746	10,746
Total Fines and Forfeitures	12,000	12,000	22,746	10,746
CHARGES FOR SERVICES				
Garbage Fees	115,000	115,000	116,171	1,171
Total Charges for Services	115,000	115,000	116,171	1,171
INTERGOVERNMENTAL REVENUE				
Federal Government	-	-	-	-
State Government	-	-	18,654	18,654
Other Local Governments	1,200	1,200	1,200	-
Total Intergovernmental Revenue	1,200	1,200	19,854	18,654
MICELLANEOUS REVENUE				
Recreation Charges	2,800	2,800	6,035	3,235
Interest Earnings	500	500	891	391
Penalties	1,000	1,000	5,320	4,320
Cemetery	500	500	-	(500)
Rents and Deposits	7,200	7,200	8,010	810
Miscellaneous	2,600	2,600	2,120	(480)
Total Miscellaneous Revenue	14,600	14,600	22,376	7,776
GRAND TOTAL REVENUES	$ 643,245	$ 643,245	$ 715,523	$ 72,278

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, 2015

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
GENRAL GOVERNMENT				
Salaries	$ 57,000	$ 57,000	$ 65,754	$ (8,754)
Council Fees	5,000	5,000	4,775	225
Mayors Fee	2,400	2,400	2,400	-
Mayor Pro-Tem Fee	1,400	1,400	1,450	(50)
Salaries-BH Manager	11,000	11,000	8,029	2,971
Election Labor & Cost	2,000	2,000	-	2,000
Insurance-Public Officials	500	500	1,089	(589)
Health Insurance	7,200	7,200	578	6,622
Payroll Taxes	8,050	8,050	6,466	1,584
Employers Retirement	1,285	1,285	1,349	(64)
Management Maintenance	4,100	4,100	4,107	(7)
Business License Software	-	-	307	(307)
Property Tax Software	-	-	307	(307)
Workers Compensation Insurance	800	800	252	548
Audit Fees	6,000	6,000	6,300	(300)
Legal Fees	10,000	10,000	6,095	3,905
Building Maintenance	1,500	1,500	1,304	196
Insurance	6,000	6,000	4,879	1,121
Telephone	2,840	2,840	3,638	(798)
Advertisements	2,000	2,000	2,956	(956)
Dues	4,000	4,000	3,808	192
Clerks Training	3,000	3,000	2,215	785
Public Officials Training	2,000	2,000	1,344	656
Office Supplies	4,000	4,000	4,462	(462)
Electricity	3,000	3,000	3,035	(35)
New Equipment	1,500	1,500	-	1,500
Office Equipment	2,000	2,000	2,290	(290)
Miscellaneous	-	-	53	(53)
Total General Government	148,575	148,575	139,242	9,333
PUBLIC SAFETY				
Police Department:				
Salaries	110,000	110,000	116,400	(6,400)
Health Insurance	13,000	13,000	1,055	11,945
Payroll Taxes	9,520	9,520	9,124	396
Employers Retirement	2,500	2,500	928	1,572
Workers Compensation Insurance	6,000	6,000	4,639	1,361
Uniforms	1,000	1,000	743	257
Recorder's Court	9,750	9,750	8,656	1,094
Computer Maintenance	600	600	248	352
Equipment Maintenance and Repair	1,500	1,500	1,026	474
Vehicle Maintenance and Repair	3,500	3,500	2,575	925
Insurance	6,000	6,000	5,068	932
Police Liability Insurance	4,500	4,500	3,640	860
Telephone	2,500	2,500	3,394	(894)
Training and Mileage	2,800	2,800	2,271	529
Supplies	$ 2,000	$ 2,000	$ 1,706	$ 294

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, 2015

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
PUBLIC SAFETY (continued)				
Police Department (continued):				
Electricity	$ 2,800	$ 2,800	$ 2,830	$ (30)
Jail Expense	2,000	2,000	1,488	512
Gas and Oil	14,000	14,000	11,187	2,813
Breath Alcohol Tests	500	500	-	500
Witness Fees	100	100	-	100
Small Equipment	1,000	1,000	761	239
Emergency Fund	1,500	1,500	1,289	211
Drug Task Force	2,300	2,300	2,331	(31)
Capital Outlay:	-	-	-	-
Total Police Department	199,370	199,370	181,359	18,011
Fire Department:				
Salaries	2,400	2,400	2,400	-
Firemen's Retainer	3,000	3,000	3,196	(196)
Asst. Fire Chief Salary	900	900	475	425
Fireman on Call	400	400	-	400
Payroll Taxes	200	200	310	(110)
Management Maintenance	800	800	720	80
Building Maintenance	200	200	49	151
Vehicle Maintenance and Repair	500	500	910	(410)
Street Maintenance	1,400	1,400	1,289	111
Insurance	3,000	3,000	4,814	(1,814)
Training and Mileage	850	850	179	671
Supplies	500	500	1,183	(683)
Electricity	1,200	1,200	1,782	(582)
Uniforms	1,400	1,400	1,815	(415)
Fire Hydrant Testing	1,200	1,200	1,200	-
Small Equipment	3,400	3,400	5,854	(2,454)
Total Fire Department	21,350	21,350	26,176	(4,826)
Total Public Safety	220,720	220,720	207,535	13,185
PUBLIC WORKS				
Salaries	44,000	44,000	52,455	(8,455)
Health Insurance	7,200	7,200	607	6,593
Payroll Taxes	3,925	3,925	4,076	(151)
Employers Retirement	1,025	1,025	435	590
Workers Compensation Insurance	8,000	8,000	5,762	2,238
Uniforms	1,600	1,600	1,692	(92)
Animal Control	1,500	1,500	940	560
Vehicle Maintenance	2,000	2,000	1,218	782
Building Maintenance	1,000	1,000	66	934
Equipment Maintenance and Repair	15,000	15,000	19,470	(4,470)
Street Maintenance	10,000	10,000	5,849	4,151
Insurance	6,700	6,700	4,430	2,270
Telephone	$ 700	$ 700	$ 713	$ (13)

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, 2015

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
PUBLIC WORKS (continued)				
Training and Mileage	$ 500	$ 500	$ 793	$ (293)
Inmates	1,000	1,000	3,002	(2,002)
Supplies	3,000	3,000	5,376	(2,376)
Pesticides	7,000	7,000	13,475	(6,475)
Electricity	38,000	38,000	38,804	(804)
Gas, Oil, and Diesel	18,000	18,000	13,625	4,375
Mosquito Spraying	-	-	1,100	(1,100)
Miscellaneous	-	-	1,241	(1,241)
Cemetery Maintenance	-	-	2,335	(2,335)
Garbage Collection and Disposal	96,000	96,000	93,149	2,851
Total Public Works	266,150	266,150	270,613	(4,463)
CULTURE AND RECREATION				
Recreation Department:				
Umpiring Fees	500	500	-	500
Maintenance and Repair	1,000	1,000	1,052	(52)
Insurance	700	700	1,231	(531)
Electricity	3,500	3,500	4,985	(1,485)
Concession and Supplies	100	100	100	-
Small Equipment	-	-	-	-
Calhoun County Recreation	-	-	-	-
Total Recreation Department	5,800	5,800	7,368	(1,568)
Community and Senior Center:				
Maintenance and Repair	2,000	2,000	790	1,210
Insurance	700	700	3,280	(2,580)
Electricity	1,000	1,000	1,717	(717)
Total Community Center	3,700	3,700	5,787	(2,087)
Other:				
Calhoun County Library	250	250	250	-
CHIP Grant Administration	-	-	5,000	(5,000)
Senior Center	-	-	1,500	(1,500)
Calhoun County Community Center	250	250	250	-
May Day Committee	500	500	732	(232)
Downtown Development Authority	1,000	1,000	1,200	(200)
Total Other	2,000	2,000	8,932	(6,932)
Total Culture and Recreation	11,500	11,500	22,087	(10,587)
GRAND TOTAL EXPENDITURES	$ 646,945	$ 646,945	$ 639,477	$ 7,468

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

CITY OF ARLINGTON, GEORGIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015

A. BUDGETARY INFORMATION

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

B. EXPENDITURES OVER APPROPRIATIONS

The City incurred expenditures, which exceeded appropriations, for the following departments and corresponding amounts:

Public Works	$ 4,463
Culture and Recreation	10,587

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.

CITY OF ARLINGTON, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEETS

	JUNE 30, 2015	JUNE 30, 2014
ASSETS		
Cash and Cash Equivalents	$ 126,822	$ 67,782
Investments in Certificates of Deposit	1,871	1,860
Accounts Receivable	10,732	13,198
Property Taxes Receivable	1,288	-
Motor Vehicle Taxes Receivable	128	132
Mobile Home Taxes Receivable	29	41
Title Ad-valorem Tax Fees	1,607	1,637
Local Option Sales Taxes Receivable	14,047	16,678
Energy Excise Tax Receivable	3,191	3,155
Alcoholic Beverages Taxes Receivable	1,492	1,259
Franchise Taxes Receivable	197	339
Railroad Equipment Taxes	1,463	-
Intangible Tax Receivable	52	-
Fines Receivable	-	304
Due from 2012 SPLOST Fund	2,688	-
Total Assets	$ 165,607	$ 106,385
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	26,958	27,515
Payroll Taxes and Withholdings Payable	2,565	582
Due to 2007 SPLOST	365	-
Due to CDBG Fund	-	42
Total Liabilities	29,888	28,139
Fund Balance:		
Fund Balance Assigned For:		
Recreation	8,335	5,342
Fire	3,321	4,498
Cemetery	-	1,426
Travel	23	-
May Day	4,298	4,530
May Day Scholarship	1,011	1,011
Payroll Deductions	202	4,033
Grant Matching	44,272	25,183
Fund Balance Unassigned	74,257	32,223
Total Fund Balance	135,719	78,246
Total Liabilities and Fund Balance	$ 165,607	$ 106,385

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

	JUNE 30, 2015	JUNE 30, 2014
REVENUES		
Taxes	$ 517,730	$ 461,065
Licenses and Permits	16,646	13,899
Fines & Forfeitures	22,746	11,081
Charges for Services	116,171	116,476
Intergovernmental	19,854	22,075
Miscellaneous	22,376	26,765
Total Revenues	715,523	651,361
EXPENDITURES		
General Government	139,242	159,755
Public Safety	207,535	208,704
Public Works	270,613	295,671
Culture & Recreation	22,087	23,622
Total Expenditures	639,477	687,752
Excess (Deficiency) of Revenues Over Expenditures	76,046	(36,391)
OTHER FINANCING SOURCES (USES)		
Transfers In	-	1,523
Transfers Out	(18,573)	(9,041)
Total Other Financing Sources (Uses)	(18,573)	(7,518)
Net Change in Fund Balance	57,473	(43,909)
Fund Balance - Beginning of Year	78,246	122,155
Fund Balance - End of Year	$ 135,719	$ 78,246

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

	JUNE 30, 2015	JUNE 30, 2014
TAXES		
Property Taxes	$ 233,311	$ 182,438
Local Option Sales Taxes	90,022	95,892
Alcoholic Beverage Taxes	17,364	16,934
Insurance Premiums Tax	79,608	76,293
Franchise Tax	79,944	75,343
Excise Tax on Energy	13,065	9,671
Railroad Equipment Tax	3,048	1,818
Housing Authority - In Lieu of Taxes	630	1,485
Real Estate Transfer Tax	62	92
Intangible Taxes	676	1,099
Total Taxes	517,730	461,065
LICENSES AND PERMITS		
Business Licenses	11,146	13,899
Other Licenses and Permits	5,500	-
Total Licenses and Permits	16,646	13,899
FINES AND FORFEITURES		
Fines and Forfeitures	22,746	11,081
Total Fines and Forfeitures	22,746	11,081
CHARGES FOR SERVICES		
Garbage Fees	116,171	116,476
Total Charges for Services	116,171	116,476
INTERGOVERNMENTAL REVENUE		
Federal Government	-	2,564
State Government	18,654	18,311
Other Local Governments	1,200	1,200
Total Intergovernmental Revenue	19,854	22,075
MISCELLANEOUS REVENUE		
Recreation Charges	6,035	1,211
Interest Earnings	891	636
Penalties	5,320	11,242
Cemetery	-	1,500
Rents and Deposits	8,010	8,609
Miscellaneous	2,120	3,567
Total Miscellaneous Revenue	22,376	26,765
GRAND TOTAL REVENUES	$ 715,523	$ 651,361

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

	JUNE 30, 2015	JUNE 30, 2014
GENERAL GOVERNMENT		
Salaries	$ 65,754	$ 58,605
Council Fees	4,775	5,950
Mayors Fee	2,400	2,400
Mayor Pro-Tem Fee	1,450	1,575
Election Labor	-	4,178
Salaries-BH Manager	8,029	11,493
Insurance-Public Officials	1,089	500
Health Insurance	578	7,472
Payroll Taxes	6,466	7,020
Employers Retirement	1,349	1,109
Management Maintenance	4,107	5,600
Business License Software	307	-
Property Tax Software	307	-
Workers Compensation Insurance	252	311
Audit	6,300	5,800
Legal	6,095	6,441
Building Maintenance	1,304	1,465
Insurance	4,879	5,224
Telephone	3,638	3,200
Advertisements	2,956	1,708
Dues	3,808	5,141
Clerks Training	2,215	2,128
Public Officials Training	1,344	1,131
Office Supplies	4,462	2,944
Electricity	3,035	2,707
Miscellaneous	53	14,181
Office Equipment	2,290	1,472
Total General Government	139,242	159,755
PUBLIC SAFETY		
Police Department:		
Salaries	116,400	109,776
Payroll Taxes	9,124	9,068
Health Insurance	1,055	10,067
Retirement	928	705
Investigation	-	162
Uniforms	743	680
Recorder's Court	8,656	6,711
Workers Compensation Insurance	4,639	5,652
Computer Maintenance	248	544
Equipment Maintenance and Repair	1,026	584
Vehicle Maintenance and Repair	2,575	6,979
Insurance	5,068	6,000
Insurance - Police Liability	3,640	4,332
Telephone	3,394	2,565
Training and Mileage	2,271	2,186
Supplies	1,706	1,739
Jail Expense	1,488	2,270
Witness	-	42
Gas and Oil	$ 11,187	$ 15,441

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

	JUNE 30, 2015	JUNE 30, 2014
PUBLIC SAFETY (continued)		
Police Department (continued):		
Electricity	$ 2,830	$ 2,929
Emergency Fund	1,289	-
Small Equipment	761	-
Drug Task Force	2,331	2,300
Capital Outlay:	-	-
Total Police Department	181,359	190,732
Fire Department:		
Salaries	2,400	2,400
Fireman's Retainer	3,196	3,150
Asst. Fire Chief Salary	475	725
Payroll Taxes	310	226
Management Maintenance	720	-
Uniforms	1,815	1,200
Building Maintenance and Repair	49	-
Vehicle Maintenance and Repair	910	883
Street Maintenance	1,289	-
Insurance	4,814	2,313
Training and Mileage	179	1,527
Supplies	1,183	1,500
Electricity	1,782	895
Fire Hydrant Testing	1,200	1,200
Miscellaneous	-	-
Small Equipment	5,854	1,953
Capital Outlay:	-	-
Total Fire Department	26,176	17,972
Total Public Safety	207,535	208,704
PUBLIC WORKS		
Salaries	52,455	42,993
Payroll Taxes	4,076	3,555
Health Insurance	607	7,830
Retirement	435	547
Workers Compensation Insurance	5,762	8,952
Uniforms	1,692	-
Animal Control	940	1,793
Building Maintenance	66	1,073
Equipment Maintenance and Repair	19,470	17,055
Vehicle Maintenance and Repair	1,218	3,145
Street Maintenance	5,849	31,254
Insurance	4,430	4,601
Telephone	713	705
Training and Mileage	793	1,291
Inmate Expense	3,002	-
Supplies	5,376	3,341
Pesticides	13,475	11,721
Electricity	$ 38,804	$ 38,066

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

	JUNE 30, 2014	JUNE 30, 2013
PUBLIC WORKS (continued)		
Gas and Oil	$ 13,625	$ 20,719
Mosquito Spraying	1,100	-
Miscellaneous	1,241	-
Garbage Collection and Disposal	93,149	94,395
Cemetery Maintenance	2,335	2,635
Capital Outlay:	-	-
Total Public Works	270,613	295,671
CULTURE AND RECREATION		
Recreation Department:		
Maintenance and Repair	1,052	-
Insurance	1,231	700
Electricity	4,985	2,144
Supplies	100	233
Small Equipment	-	5,200
Total Recreation Department	7,368	8,277
Community Center:		
Maintenance and Repair	790	1,406
Electricity	1,717	647
Insurance	3,280	700
Total Community Center	5,787	2,753
Other:		
Downtown Development	1,200	5,590
Beautification (Lights)	-	2,494
CHIP Grant	5,000	-
Depot Matching	-	-
May Day Committee	732	2,008
Senior Center	1,500	-
Calhoun County Community Center	250	1,500
Calhoun County Library	250	1,000
Capital Outlay:		
Farmers Market	-	-
Depot Renovation	-	-
Total Other	8,932	12,592
Total Culture and Recreation	22,087	23,622
GRAND TOTAL EXPENDITURES	$ 639,477	$ 687,752

SPECIAL REVENUE FUNDS

Community Home Investment Program - is used to account for a $306,000 Community Home Investment Program Grant (Grant #: 2014-903) for the rehabilitation of ten owner occupied units.

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.

2013 Arlington Special Purpose Local Option Sales Tax (SPLOST) Fund - is used to account for the estimated $247,500 in tax proceeds to be collected over a six year period beginning July 1, 2013. The proceeds are to be used to finance projects including alterations to city buildings; voting equipment; public safety and public works, roads, streets, sidewalks, and water and sewer improvements.

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, 2015

	Special Revenue		Capital
	CHIP	CDBG	2013 SPLOST
ASSETS			
Cash and Cash Equivalents	$ 14	$ -	$ 54,654
SPLOST Receivable	-	-	2,279
Due from General Fund	-	-	-
Due from 2013 SPLOST	-	-	-
Total Assets	14	-	56,933
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts Payable	-	-	-
Due General Fund	-	-	-
Due to 2007 SPLOST	-	-	2,890
Total Liabilities	-	-	2,890
Fund Balance:			
Fund Balance Restricted For:			
CHIP Projects	14	-	-
SPLOST Projects	-	-	54,043
Fund Balance Assigned For:			
Debt Service	-	-	-
Total Fund Balance	14	-	54,043
Total Liabilities And Fund Balance	$ 14	$ -	$ 56,933

CITY OF ARLINGTON, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

Projects 2012 SPLOST	Projects 2007 SPLOST	Debt Service	Total Nonmajor Governmental Funds
$ 41,367	$ 18,395	$ -	$ 114,430
5,006	-	-	7,285
-	365	-	365
-	2,890	-	2,890
46,373	21,650	-	124,970
-	-	-	-
2,688	-	-	2,688
-	-	-	2,890
2,688	-	-	5,578
-	-	-	14
43,685	21,650	-	119,378
-	-	-	-
43,685	21,650	-	119,392
$ 46,373	$ 21,650	$ -	$ 124,970

CITY OF ARLINGTON, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Special Revenue		Capital
	CHIP	CDBG	2013 SPLOST
REVENUES			
Intergovernmental	$ -	$ 24,454	$ 29,634
Miscellaneous	-	-	302
Total Revenues	-	24,454	29,936
EXPENDITURES			
Current:			
General Government	6	-	6
Capital Outlay	-	24,554	1,385
Debt Service	-	-	-
Total Expenditures	6	24,554	1,391
Excess (Deficiency) of Revenues Over Expenditures	(6)	(100)	28,545
OTHER FINANCING SOURCES (USES)			
Transfers In	20	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	20	-	-
Net Change in Fund Balance	14	(100)	28,545
Fund Balance - Beg of Year	-	100	25,498
Fund Balance - End of Year	$ 14	$ -	$ 54,043

CITY OF ARLINGTON, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

Projects			Total
2012 SPLOST	2007 SPLOST	Debt Service	Nonmajor Governmental Funds
$ 34,801	$ -	$ -	$ 88,889
427	201	-	930
35,228	201	-	89,819
-	-	-	12
10,174	15,936	-	52,049
-	-	53,687	53,687
10,174	15,936	53,687	105,748
25,054	(15,735)	(53,687)	(15,929)
-	-	53,687	53,707
(41,899)	-	-	(41,899)
(41,899)	-	53,687	11,808
(16,845)	(15,735)	-	(4,121)
60,530	37,385	-	123,513
$ 43,685	$ 21,650	$ -	$ 119,392

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

	JUNE 30, 2015	JUNE 30, 2014
ASSETS		
Cash and Cash Equivalents	$ -	$ -
Total Assets	-	-
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	-	-
Due to General Fund	-	-
Total Liabilities	-	-
Fund Balance:		
Fund Balance Restricted for CHIP Projects	-	-
Total Fund Balance	-	-
Total Liabilities and Fund Balance	$ -	$ -

CITY OF ARLINGTON, GEORGIA
COMMUNITY HOME INVESTMENT PROGRAM
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014

	Totals			
	2015		Variance Over	2014
	Budget	Actual	(Under)	Actual
REVENUES				
Federal Government:				
Georgia Housing and Finance Authority- Community Home Investment Program	$ -	$ -	$ -	$ 6,000
Total Revenues	-	-	-	6,000
EXPENDITURES				
Current:				
General Government	-	6	(6)	-
Housing and Development:				
Rehabilitation of Private Properties	-	-	-	-
Administration	-	-	-	6,000
Total Expenditures	-	6	(6)	6,000
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers In	-	20	20	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	20	20	-
Net Change in Fund Balance	-	14	14	-
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance - End of Year	$ -	$ 14	$ 14	$ -

CITY OF ARLINGTON, GEORGIA
COMMUNITY HOME INVESTMENT PROGRAM (CHIP)
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(PROJECT COST SCHEDULE)
CHIP PROGRAM NO. 2014-903
FOR THE GRANT PERIOD JUNE 1, 2014 THROUGH JUNE 1, 2017

	CHIP Activity Number	Latest Approved Budget (CHIP Funds)
REVENUES		
Federal Government:		
Georgia Housing and Finance Authority- Community Home Investment Program		$ 306,000
Total Revenues		306,000
EXPENDITURES		
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 (CHIP)
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(PROJECT COST SCHEDULE)
CHIP PROGRAM NO. 2014-903
FOR THE GRANT PERIOD JUNE 1, 2014 THROUGH JUNE 1, 2017

Accumulative CHIP Expenditures To Date	Accumulative Expenditures To Date (Other Funds)	Grand Total Of Expenditures To Date	Questioned Costs
$ -	-	-	
-	-	-	
-	-	-	$ -
-	-	-	-
-	-	-	$ -
-	-	-	
-	-	-	
$ -	$ -	$ -	

CITY OF ARLINGTON, GEORGIA
COMMUNITY HOME INVESTMENT PROGRAM (CHIP)
SOURCE AND APPLICATION OF FUNDS SCHEDULE
CHIP PROGRAM NO. 2014-903
FOR THE CUMULATIVE PERIOD ENDED JUNE 30, 2015

Total Fiscal Year 2014 CHIP Funds Awarded Recipient	$ 306,000
Less: Deobligations	-
Adjusted Total Fiscal Year 2014 CHIP Funds Awarded Recipient	306,000
Total Amount Drawndown by Recipient from GHFA	-
Less: CHIP Funds Expended By Recipient	-
Amount of Fiscal Year 2014 CHIP Funds Held By Recipient	$ -

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

	JUNE 30, 2015	JUNE 30, 2014
ASSETS		
Cash and Cash Equivalents	$ -	$ 58
Due from General Fund	-	42
Total Assets	-	100
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	-	-
Total Liabilities	-	-
Fund Balance:		
Fund Balance Restricted for CDGB Projects	-	100
Total Fund Balance	-	100
Total Liabilities and Fund Balance	$ -	$ 100

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

	JUNE 30, 2015	JUNE 30, 2014
REVENUES		
Federal Government:		
Georgia Department of Community Affairs- Community Development Block Grant	24,454	425,905
Total Revenues	24,454	425,905
EXPENDITURES		
Capital Outlay:		
Engineering - Water/Sewer Improvements	-	13,982
Sewer Facilities	20,042	365,198
Flood and Drainage Facilities	333	45,915
Engineering - Street Improvements/Flood and Drainage	-	810
Administration	4,179	10,000
Total Expenditures	24,554	435,905
Excess (Deficiency) of Revenues Over Expenditures	(100)	(10,000)
OTHER FINANCING SOURCES AND USES		
Transfers In	-	10,000
Transfers Out	-	-
Total Other Financing Sources (Uses)	-	10,000
Net Change in Fund Balance	(100)	-
Fund Balance - Beginning of Year	100	100
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 JANUARY 31, 2015

	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-03K-02	46,867
Engineering - Street Improvements/Flood & Drainage	T-03K-02	1,143
Administration	A-21A-00	30,000
Total Expenditures		500,000
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 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 JANUARY 31, 2015

Accumulative CDBG Expenditures To Date	Accumulative Expenditures To Date (Other Funds)	Grand Total Of Expenditures To Date	Questioned Costs
$ 498,582	-	498,582	
498,582	-	498,582	
36,285	10,000	46,285	$ -
385,239	-	385,239	-
46,248	-	46,248	-
810	-	810	-
30,000	-	30,000	-
498,582	10,000	508,582	$ -
-	(10,000)	(10,000)	
-	10,000	10,000	
-	-	-	
-	10,000	10,000	
-	-	-	
-	-	-	
$ -	$ -	$ -	

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, 2015

Total Fiscal Year 2012 CDBG Funds Awarded Recipient	$ 500,000
Less: Deobligations	(1,418)
Adjusted Total Fiscal Year 2012 CDBG Funds Awarded Recipient	498,582
Total Amount Drawndown by Recipient From DCA	498,582
Less:	
CDBG Funds Expended By Recipient	498,582
Amount of Fiscal Year 2012 CDBG Funds Held By Recipient	$ -

CITY OF ARLINGTON, GEORGIA
2013 ARLINGTON SPECIAL PURPOSE LOCAL OPTION SALES TAX (SPLOST)
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS

	JUNE 30, 2015	JUNE 30, 2014
ASSETS		
Cash and Cash Equivalents	$ 54,654	$ 20,873
Special Purpose Local Option Sales Tax Receivable	2,279	4,625
Total Assets	56,933	25,498
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	-	-
Due to 2007 SPLOST	2,890	-
Total Liabilities	2,890	-
Fund Balance		
Fund Balance Restricted for SPLOST Projects	54,043	25,498
Total Fund Balance	54,043	25,498
Total Liabilities and Fund Balance	$ 56,933	$ 25,498

CITY OF ARLINGTON, GEORGIA
2013 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, 2015	JUNE 30, 2014
REVENUES		
Calhoun County, Georgia:		
Special Purpose Local Option Sales Tax	$ 29,634	$ 25,505
Miscellaneous - Interest Earnings	302	-
Total Revenues	29,936	25,505
EXPENDITURES		
Current:		
General Government-Bank Charges	-	7
Checks	6	-
Capital Outlay:		
Building Improvements	378	-
Water System - Well Control Improvement	1,007	-
Total Expenditures	1,391	7
Excess (Deficiency) of Revenues Over Expenditures	28,545	25,498
Fund Balance - Beginning of Year	25,498	-
Fund Balance - End of Year	$ 54,043	$ 25,498

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

	JUNE 30, 2015	JUNE 30, 2014
ASSETS		
Cash and Cash Equivalents	$ 41,367	$ 57,209
Special Purpose Local Option Sales Tax Receivable	5,006	6,211
Total Assets	46,373	63,420
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	-	-
Due to General Fund	2,688	-
Due to 2007 SPLOST	-	2,890
Total Liabilities	2,688	2,890
Fund Balance		
Fund Balance Restricted for SPLOST Projects	43,685	60,530
Total Fund Balance	43,685	60,530
Total Liabilities and Fund Balance	$ 46,373	$ 63,420

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, 2015	JUNE 30, 2014
REVENUES		
Early County, Georgia:		
Special Purpose Local Option Sales Tax	$ 34,801	$ 38,927
Miscellaneous - Interest Earnings	427	311
Total Revenues	35,228	39,238
EXPENDITURES		
Capital Outlay:		
Bobcat Predator Pro Mower	7,980	-
Police Pistol and Accessories	1,696	-
Computer Equipment-Printer	498	1,720
Total Expenditures	10,174	1,720
Excess (Deficiency) of Revenues Over Expenditures	25,054	37,518
OTHER FINANCING SOURCES AND USES		
Transfers In	-	-
Transfers Out	(41,899)	(19,142)
Total Other Financing Sources (Uses)	(41,899)	(19,142)
Net Change in Fund Balance	(16,845)	18,376
Fund Balance - Beginning of Year	60,530	42,154
Fund Balance - End of Year	$ 43,685	$ 60,530

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

	JUNE 30, 2015	JUNE 30, 2014
ASSETS		
Cash and Cash Equivalents	$ 18,395	$ 34,495
Due from 2012 SPLOST	-	2,890
Due from 2013 SPLOST	2,890	-
Due from General Fund	365	-
Total Assets	21,650	37,385
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	-	-
Total Liabilities	-	-
Fund Balance		
Fund Balance Restricted for SPLOST Projects	21,650	37,385
Total Fund Balance	21,650	37,385
Total Liabilities and Fund Balance	$ 21,650	$ 37,385

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, 2015	JUNE 30, 2014
REVENUES		
Miscellaneous - Interest Earnings	$ 201	$ 421
Total Revenues	201	421
EXPENDITURES		
Capital Outlay:		
Picnic Tables	1,950	-
Backboards	1,600	-
Wall Pad and Wall Pad Channel	2,485	-
Security Bars for Storage Shed	150	-
Storage Shed	2,388	-
Husqvarna 224LD 4 Cycle Trimmer, Troybuilt XP 25cc 4 Cycle, and PC Orbital Reciprocating Saw	889	-
Water and Sewerage Equipment	6,474	44,531
2 Husqvarna Trimmers, Push Lawnmower	-	706
Edger	-	263
Cineplex Red Popcorn Machine	-	525
4 Gared 5500 Double Rim Breakaway Goal	-	936
3 Park Grills	-	500
Total Expenditures	15,936	47,461
Excess (Deficiency) of Revenues Over Expenditures	(15,735)	(47,040)
OTHER FINANCING SOURCES AND USES		
Transfers In	-	-
Transfers Out	-	(10,000)
Total Other Financing Sources (Uses)	-	(10,000)
Net Change in Fund Balance	(15,735)	(57,040)
Fund Balance - Beginning of Year	37,385	94,425
Fund Balance - End of Year	$ 21,650	$ 37,385

CITY OF ARLINGTON, GEORGIA
DEBT SERVICE FUND
COMPARATIVE BALANCE SHEETS

	JUNE 30, 2015	JUNE 30, 2014
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, 2015
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014

	Totals			
	2015		Variance Over	2014
	Budget	Actual	(Under)	Actual
REVENUES				
Miscellaneous	$ -	$ -	$ -	$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Principal Retirement	52,183	52,183	-	28,452
Interest Paid	1,504	1,504	-	2,463
Total Expenditures	53,687	53,687	-	30,915
Excess (Deficiency) of Revenues Over Expenditures	(53,687)	(53,687)	-	(30,915)
OTHER FINANCING SOURCES (USES)				
Proceeds of Long-Term Debt	-	-	-	-
Transfer In	53,687	53,687	-	30,915
Transfer Out	-	-	-	-
Total Other Financing Sources (Uses)	53,687	53,687	-	30,915
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beg of Year	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ -	$ -

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, 2015	JUNE 30, 2014
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 173,828	$ 142,389
Investment in Certificate of Deposit	38,933	38,013
Accounts Receivable	40,147	28,149
Restricted Assets:		
Cash and Cash Equivalents	16,611	27,926
Total Current Assets	269,519	236,477
Non-current Assets:		
Restricted Assets:		
Investment in Certificate of Deposit- Reserve and Renewal Extension Fund	69,792	69,792
Capital Assets:		
Water & Sewerage System	7,211,086	7,149,051
Machinery & Equipment	75,596	75,596
	7,286,682	7,224,647
Less Accumulated Depreciation	(1,847,036)	(1,700,067)
Net Capital Assets	5,439,646	5,524,580
Deposits	200	200
Total Non-current Assets	5,509,638	5,594,572
Total Assets	$ 5,779,157	$ 5,831,049

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

	JUNE 30, 2015	JUNE 30, 2014
LIABILTIES AND NET POSITION		
Current Liabilities:		
Accounts Payable	$ 23,725	$ 21,331
Payable from Restricted Assets:		
Revenue Bond - 2009 Series	16,671	16,119
Customer Deposits	41,658	40,883
Total Current Liabilities	82,054	78,333
Long-Term Liabilities:		
Revenue Bond - 2009 Series	1,237,387	1,254,058
Total Long-Term Liabilities	1,237,387	1,254,058
Total Liabilities	1,319,441	1,332,391
Net Position:		
Net Investment in Capital Assets	4,185,588	4,254,403
Restricted	-	-
Unrestricted	274,128	244,255
Total Net Position	4,459,716	4,498,658
Total Liabilities and Net Position	$ 5,779,157	$ 5,831,049

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, 2015	JUNE 30, 2014
OPERATING REVENUES		
Water & Sewerage Charges	$ 413,763	$ 363,326
Cut-on & Tap Fees	8,291	9,568
Penalties and Miscellaneous	14,199	9,045
Total Operating Revenues	436,253	381,939
OPERATING EXPENSES		
Salaries and Payroll Costs	64,687	69,282
Drinking Water Fees and Lab Tests	38,293	27,643
Maintenance and Repairs	56,361	37,523
Materials and Supplies	110,645	98,244
Electricity	57,995	76,299
Other Operating Expenses	17,790	16,330
Depreciation	146,969	139,118
Total Operating Expenses	492,740	464,439
Operating Loss	(56,487)	(82,500)
NON-OPERATING REVENUES AND EXPENSES		
Interest Income	2,418	2,171
Interest Expense	(53,673)	(54,893)
Total Non-Operating Revenues and Expenses	(51,255)	(52,722)
Net Income Before Contributions and Transfers	(107,742)	(135,222)
CONTRIBUTIONS		
2013 Arlington SPLOST Fund	1,007	-
2007 Arlington SPLOST Fund	6,474	44,531
CDBG Fund	24,554	435,905
Federal Government - USDA - SEARCH Grant	30,000	-
Total Contributions	62,035	480,436
TRANSFERS		
Transfer In	10,863	-
Transfer Out	(4,098)	(4,255)
Net Transfers	6,765	(4,255)
Net Income (Loss)	(38,942)	340,959
Net Position - Beginning of Year	4,498,658	4,157,699
Net Position - End of Year	$ 4,459,716	$ 4,498,658

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

	JUNE 30, 2015	JUNE 30, 2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received From Customers	$ 425,030	$ 377,454
Cash Paid to Employees for Services	(53,814)	(52,454)
Cash Paid To Other Suppliers of Goods and Services	(289,564)	(274,262)
Net Cash Provided (Used) by Operating Activities	81,652	50,738
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers From Other Funds	10,863	-
Transfers To Other Funds	(4,098)	(4,255)
Net Cash Provided (Used) by Non-Capital Financing Activities	6,765	(4,255)
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES		
Principal Paid on Revenue Bonds	(16,119)	(14,899)
Interest Paid on Revenue Bonds	(53,673)	(54,893)
Federal Government - USDA - SEARCH Grant	30,000	-
Acquisition and Construction of Capital Assets	(30,000)	-
Net Cash Provided (Used) by Capital & Related Financing Activities	(69,792)	(69,792)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Income	2,418	2,171
Certificate of Deposit-Interest Reinvestment	(919)	(918)
Certificate of Deposit Redemption	-	-
Net Cash Provided (Used) by Investing Activities	1,499	1,253
Net Increase (Decrease) in Cash and Cash Equivalents	20,124	(22,056)
Cash and Cash Equivalents - Beginning of Year	170,315	192,371
Cash and Cash Equivalents - End of Year	$ 190,439	$ 170,315
RECONCILIATION OF CASH AND CASH EQUIVALENTS ON BALANCE SHEETS		
Cash and Cash Equivalents-Unrestricted	$ 173,828	$ 142,389
Cash and Cash Equivalents-Restricted	16,611	27,926
Total Cash and Cash Equivalents	$ 190,439	$ 170,315

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

	JUNE 30, 2015	JUNE 30, 2014
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Loss	$ (56,487)	$ (82,500)
Adjustments to Reconcile Operating Income To Net Cash Provided (Used) by Operating Activities:		
Depreciation Expense	146,969	139,118
Rounding	(1)	-
(Increase) Decrease in Accounts Receivable	(11,998)	(6,215)
Increase (Decrease) in Accounts Payable	2,394	(1,395)
Increase (Decrease) in Customer Deposits	775	1,730
Total Adjustments	138,139	133,238
Net Cash Provided (Used) By Operating Activities	$ 81,652	$ 50,738
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Capital Assets Contributed by 2007 SPLOST Fund	$ 6,474	$ 44,531
Capital Assets Contributed by 2013 SPLOST Fund	$ 1,007	$ -
Capital Assets Contributed by CDBG Fund	$ 24,554	$ 435,905

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, 2015

	Beginning Balance	Additions	Deductions	Ending Balance
ASSETS				
Cash and Cash Equivalents	$ 1,175	$ 42,248	$ (35,864)	$ 7,559
Total Assets	1,175	42,248	(35,864)	7,559
LIABILITIES				
Due to P.O.A.B.	67	1,629	(1,672)	24
Due to G.S.C.C.C.A	308	5,571	(5,542)	337
Due to Courthouse Solutions	-	2,100	(2,055)	45
Due to Victims Assistance Program	17	842	(813)	46
Due to Drug Abuse Program	-	1,846	(1,684)	162
Due to City of Arlington General Fund	-	23,050	(23,050)	-
Miscellaneous Fees and Costs	783	7,210	(1,048)	6,945
Total Liabilities	$ 1,175	$ 42,248	$ (35,864)	$ 7,559

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, 2015	JUNE 30, 2014
ASSETS		
Cash and Cash Equivalents	$ 1,037	$ 3,640
Total Assets	1,037	3,640
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts Payable	-	-
Total Liabilities	-	-
Fund Equity:		
Fund Balance Reserved for Downtown Development Projects	1,037	3,640
Total Fund Equity	1,037	3,640
Total Liabilities and Fund Equity	$ 1,037	$ 3,640

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, 2015	JUNE 30, 2014
REVENUES		
Miscellaneous:		
Rent	$ 2,533	$ 4,528
Breakfast with Santa	1,060	-
Valentine Party	6,795	-
Interest	15	38
Total Miscellaneous	10,403	4,566
Total Revenues	10,403	4,566
EXPENDITURES		
Depot and Farmers Market Expenses	-	917
Advertising	-	992
Utilities	3,308	1,817
Telephone	1,582	848
Postage	-	55
Labor	-	735
Miscellaneous	502	826
Breakfast with Santa	540	-
Valentine Party	7,074	-
Total Expenditures	13,006	6,190
Excess (Deficiency) of Revenues Over Expenditures	(2,603)	(1,624)
Fund Balance - Beginning of Year	3,640	5,264
Fund Balance - End of Year	$ 1,037	$ 3,640

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, 2015

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	$ 104,818	$ 6,474	$ 111,292	107.73%
Roads, Streets, and Bridges	50,000	50,000	39,295	3,427	42,722	85.44%
Recreational Purposes	30,000	30,000	1,961	6,035	7,996	26.65%
Totals	$ 183,310	$ 183,310	$ 146,074	$ 15,936	$ 162,010	88.38%

CITY OF ARLINGTON, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH
2012-2017 SPECIAL PURPOSE LOCAL OPTION SALES TAX
FOR THE YEAR ENDED JUNE 30, 2015

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	$ *	$ *	$ *	*
Bobcat Mower	*	*	-	7,980	7,980	100.00%
Police Equipment	*	*	-	1,696	1,696	100.00%
Computer Equipment	*	*	1,720	498	2,218	100.00%
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	$ 56,148	$ 10,174	$ 66,322	26.85%

CITY OF ARLINGTON, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH
2013-2019 SPECIAL PURPOSE LOCAL OPTION SALES TAX
FOR THE YEAR ENDED JUNE 30, 2015

Project	Estimated Original Cost	Estimated Current Cost	Expenditures Prior Years	Expenditures Current Year	Total	Estimated Percentage of Completion
Alteration to City Buildings	$ 144,500	$ 144,500	$ -	$ 378	$ 378	.26%
Voting Equipment	8,000	8,000	-	-	-	-%
Public Safety	35,000	35,000	-	-	-	-%
Public Works, Roads, Streets, Sidewalks, Water and Sewer Improvement	60,000	60,000	-	1,007	1,007	1.68%
Totals	$ 247,500	$ 247,500	$ -	$ 1,385	$ 1,385	.56%

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W. D. McDaniel, CPA

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, 2015, 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 February 9, 2016.

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. [2015-001].

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. [2015-002].

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 [2015-003][2015-004].

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
February 9, 2016

CITY OF ARLINGTON, GEORGIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2015

FINANCIAL STATEMENT FINDINGS:

Internal Control Over Financial Reporting

2014-001 Prior Audit Finding: Financial Statement Preparation

Status and/or Corrective Action: The City of Arlington, Georgia concurred 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.

2014-002 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

2014-003 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.

2014-004 Prior Audit Finding: Comingled SPLOST Funds

Status and/or Corrective Action: The City concurred with this finding and attempted corrective measures.

CITY OF ARLINGTON, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2015

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	__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

2015-001 Financial Statement Preparation (repeat finding)

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, 2015

SIGNIFICANT DEFICIENCIES

2015-002 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

2015-003 Expenditures Over Appropriations. (repeat finding)

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:

Public Works	$4,463	Culture and Recreation	$10,587

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.

2014-004 Comingled SPLOST Funds (repeat finding)

Criteria: Local governments are required by law to keep the proceeds of the special purpose local option sales tax in a separate account and not commingle those funds with other funds of the local government prior to expenditure.

Condition: The City used proceeds of the 2007 SPLOST to pay a cost not authorized in that SPLOST's resolution. The City deposited General Fund tax revenues (Energy Excise Tax) into the 2012 SPLOST. The City previously used proceeds of the 2007 SPLOST to pay for costs of the 2012 SPLOST and corrective actions taken resulted in the 2013 SPLOST owing the 2007 SPLOST the same amount.

Context: The disallowed expenditure amount was $365. The General Fund tax revenue amount was $2,688. The amount of the 2013/2007 SPLOST error was $2,890.

Cause: These errors appear to have been inadvertent as the City has 3 active SPLOST accounts as of June 30, 2015.

Recommendation: We recommend that the funds be transferred to correct the error.

Views of Responsible Officials: The City of Arlington, Georgia agrees with this finding and will transfer the funds to correct these errors.