CITY OF ARLINGTON, GEORGIA
Arlington, Georgia

Financial Statements
and Supplemental Information

For the Fiscal Year Ended
June 30, 2016

And

Auditor's Report

CITY OF ARLINGTON, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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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, 2016, 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, 2016, 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 35-41 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, 2015, 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, 2015 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, 2015 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 December 30, 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
December 30, 2016

BASIC FINANCIAL STATEMENTS

CITY OF ARLINGTON, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2016

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and Cash Equivalents	$ 336,657	$ 184,828	$ 521,485	$ 4,731
Investments	1,882	39,862	41,744	-
Receivables	34,718	52,774	87,492	-
Restricted Assets:				
Cash and Cash Equivalents	-	3,635	3,635	-
Investments	-	69,792	69,792	-
Deposits	-	200	200	-
Capital Assets - Not Being Depreciated	82,960	66,985	149,945	8,089
Capital Assets, Net of Accumulated Depreciation	802,994	5,230,139	6,033,133	-
Total Assets	1,259,211	5,648,215	6,907,426	12,820
LIABILITIES				
Accounts Payable	24,327	21,079	45,406	272
Accrued Liabilities	781	-	781	-
Customer Deposits Payable	-	45,228	45,228	-
Non-current Liabilities:				
Due Within One Year	-	17,540	17,540	-
Due In More Than One Year	-	1,219,847	1,219,847	-
Total Liabilities	25,108	1,303,694	1,328,802	272
NET POSITION				
Net Investment in Capital Assets	885,954	4,059,737	4,945,691	8,089
Restricted:				
Special Revenue Projects	14	-	14	4,459
Capital Projects	143,749	-	143,749	-
Debt Service	-	73,427	73,427	-
Unrestricted	204,386	211,357	415,743	-
Total Net Position	$1,234,103	$ 4,344,521	$ 5,578,624	$ 12,548

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

CITY OF ARLINGTON, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

Functions/Program	Expenses	Program Revenues: Charges For Services	Program Revenues: Grants and Contributions: Operating	Program Revenues: Grants and Contributions: Capital
Governmental Activities:				
General Government	$ 170,632	$ 20,858	$ -	$ -
Public Safety	251,617	31,588	-	-
Public Works	223,501	-	18,491	63,483
Culture and Recreation	31,739	13,324	1,200	-
Total Governmental Activities	677,489	65,770	19,691	63,483
Business-Type Activities:				
Water and Sewerage	579,059	451,896	-	-
Sanitation	96,495	117,018	-	-
Total Business-Type Activities	675,554	568,914	-	-
Total Primary Government	$ 1,353,043	$ 634,684	$ 19,691	$ 63,483
Component Units	$ 7,486	$ 10,888	$ -	$ -

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
  Gain on the Sale of Equipment
  Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year (* restated)

Net Position - End of Year

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

CITY OF ARLINGTON, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Units
$ (149,774)	$ -	$ (149,774)	$ -
(220,029)	-	(220,029)	-
(141,527)	-	(141,527)	-
(17,215)	-	(17,215)	-
(528,545)	-	(528,545)	-
-	(127,163)	(127,163)	
-	20,523	20,523	-
-	(106,640)	(106,640)	-
-	-	(635,185)	-
-	-	-	3,402
237,214	-	237,214	-
81,753	-	81,753	-
16,382	-	16,382	-
85,048	-	85,048	-
81,485	-	81,485	-
11,077	-	11,077	-
2,110	-	2,110	-
1,183	-	1,183	-
250	-	250	-
1,250	2,874	4,124	20
6,166	-	6,166	-
5,438	-	5,438	-
11,429	(11,429)	-	-
540,785	(8,555)	532,230	20
12,240	(115,195)	(102,955)	3,422
1,221,863	4,459,716	5,681,579	9,126*
$ 1,234,103	$ 4,344,521	$ 5,578,624	$ 12,548

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

CITY OF ARLINGTON, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	General	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	$ 198,876	$ 137,781	$ 336,657
Investment	1,882	-	1,882
Receivables	22,755	11,963	34,718
Due From Other Funds	-	2,688	2,688
Total Assets	223,513	152,432	375,945
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	15,658	8,669	24,327
Accrued Liabilities	781	-	781
Due to Other Funds	2,688	-	2,688
Total Liabilities	19,127	8,669	27,796
Fund Balances:			
Restricted	-	143,763	143,763
Assigned	79,632	-	79,632
Unassigned	124,754	-	124,754
Total Fund Balances	204,386	143,763	348,149
Total Liabilities and Fund Balances	$ 223,513	$ 152,432	
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			885,954
Net Position of Governmental Activities			$ 1,234,103

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

CITY OF ARLINGTON, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	General	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	$ 516,502	$ -	$ 516,502
Licenses and Permits	20,858	-	20,858
Fines and Forfeitures	29,795	-	29,795
Charges for Services	1,793	-	1,793
Intergovernmental	19,691	62,636	82,327
Miscellaneous	20,012	847	20,859
Total Revenues	608,651	63,483	672,134
EXPENDITURES			
Current:			
General Government	153,852	-	153,852
Public Safety	214,241	-	214,241
Public Works	178,149	-	178,149
Culture and Recreation	17,702	-	17,702
Capital Outlay	-	62,800	62,800
Total Expenditures	563,944	62,800	626,744
Excess (Deficiency) of Revenues Over Expenditures	44,707	683	45,390
OTHER FINANCING SOURCES (USES)			
Proceeds on Sale of Equipment	36,219	-	36,219
Transfers In	23,980	36,239	60,219
Transfers Out	(36,239)	(12,551)	(48,790)
Total Other Financing Sources (Uses)	23,960	23,688	47,648
Net Change in Fund Balances	68,667	24,371	93,038
Fund Balances - Beg of Year	135,719	119,392	255,111
Fund Balances - End of Year	$ 204,386	$ 143,763	$ 348,149

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, 2016

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"	$ 93,038
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 Meeting Capitalization Policy Criteria	45,548
Depreciation Expense	(96,293)
	(50,745)
Governmental funds report the proceeds of the sale of capital assets where only the gain on the sale of those assets is reported in the "Statement of Activities". Accordingly, the amounts will differ by the undepreciated cost of the asset sold.	
Proceeds of sale of equipment	(36,219)
Gain on the sale of equipment	6,166
	(30,053)
Change in Net Position of governmental activities reported in the "Statement of Activities"	$ 12,240

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

CITY OF ARLINGTON, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016

	Business-Type Activities Enterprise Funds		
	Water & Sewerage	Sanitation	Totals Current Year
ASSETS			
Current Assets:			
Cash and Cash Equivalents	$ 184,828	$ -	$ 184,828
Investments	39,862	-	39,862
Accounts Receivables	41,501	11,273	52,774
Restricted Assets:			
Cash and Cash Equivalents	3,635	-	3,635
Total Current Assets	269,826	11,273	281,099
Non-current Assets:			
Restricted Assets - Investments	69,792	-	69,792
Capital Assets:			
Land and Construction in Progress	66,985	-	66,985
Other Capital Assets, Net of Accumulated Depreciation	5,230,139	-	5,230,139
Deposits	200	-	200
Total Non-current Assets	5,367,116	-	5,367,116
Total Assets	5,636,942	11,273	5,648,215
LIABILITIES			
Current Liabilities:			
Accounts Payable	12,234	8,845	21,079
Payable from Restricted Assets:			
Revenue Bond - 2009 Series	17,540	-	17,540
Customer Deposits	45,228	-	45,228
Total Current Liabilities	75,002	8,845	83,847
Long-Term Liabilities:			
Revenue Bond Payable - 2009 Series	1,219,847	-	1,219,847
Total Long-Term Liabilities	1,219,847	-	1,219,847
Total Liabilities	1,294,849	8,845	1,303,694
NET POSITION			
Net Investment in Capital Assets	4,059,737	-	4,059,737
Restricted	73,427	-	73,427
Unrestricted	208,929	2,428	211,357
Total Net Position	$ 4,342,093	$ 2,428	$ 4,344,521

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, 2016

	Business-Type Activities Enterprise Funds		
	Water & Sewerage	Sanitation	Totals Current Year
OPERATING REVENUES			
Water and Sewerage Charges	$ 430,361	$ -	$ 430,361
Sanitation Charges	-	117,018	117,018
Cut-On and Tap Fees	12,489	-	12,489
Penalties and Miscellaneous	9,046	-	9,046
Total Operating Revenues	451,896	117,018	568,914
OPERATING EXPENSES			
Administration and Operations	377,150	96,495	473,645
Depreciation	148,788	-	148,788
Total Operating Expenses	525,938	96,495	622,433
Operating Income (Loss)	(74,042)	20,523	(53,519)
NON-OPERATING REVENUES AND EXPENSES			
Interest Income	2,874	-	2,874
Interest Expense	(53,121)	-	(53,121)
Total Non-Operating Revenues and Expenses	(50,247)	-	(50,247)
Net Income (Loss) Before Contributions and Transfers	(124,289)	20,523	(103,766)
TRANSFERS			
Transfers In	12,551	-	12,551
Transfers Out	(5,885)	(18,095)	(23,980)
Net Transfers	6,666	(18,095)	(11,429)
Change in Net Position	(117,623)	2,428	(115,195)
Net Position - Beg of Year	4,459,716	-	4,459,716
Net Position - End of Year	$ 4,342,093	$ 2,428	$ 4,344,521

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, 2016

	Business-Type Activities Enterprise Funds		
	Water & Sewerage	Sanitation	Totals Current Year
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received From Customers	$ 454,112	$ 105,745	$ 559,857
Cash Paid To Employees for Services	(61,769)	-	(61,769)
Cash Paid To Suppliers	(326,871)	(87,650)	(414,521)
Net Cash Provided by Operating Activities	65,472	18,095	83,567
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers from Other Funds	12,551	-	12,551
Transfers to Other Funds	(5,885)	(18,095)	(23,980)
Net Cash (Used) by Non-Capital Financing Activities	6,666	(18,095)	(11,429)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal Paid on Revenue Bonds	(16,671)	-	(16,671)
Interest Paid on Revenue Bonds	(53,121)	-	(53,121)
Acquisition and Construction of Capital Assets	(6,266)	-	(6,266)
Net Cash (Used) by Capital and Related Financing Activities	(76,058)	-	(76,058)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Income	2,874		2,418
Interest Reinvestment	(930)	-	(930)
Net Cash Provided by Investing Activities	1,944	-	1,944
Net Increase (Decrease) in Cash and Cash Equivalents	(1,976)	-	(1,976)
Cash and Cash Equivalents - Beg of Year	190,439	-	190,439
Cash and Cash Equivalents - End of Year	$ 188,463	$ -	$ 188,463
RECONCILIATION OF CASH AND CASH EQUIVALENTS ON STATEMENT OF NET ASSETS			
Cash and Cash Equivalents-Current	$ 184,828	$ -	$ 184,828
Cash and Cash Equivalents-Restricted	3,635	-	3,635
Total Cash and Cash Equivalents	$ 188,463	$ -	$ 188,463

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, 2016

	Business-Type Activities Enterprise Funds		
	Water & Sewerage	Sanitation	Totals Current Year
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	$ (74,042)	$ 20,523	$ (53,519)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	148,788	-	148,788
Rounding	1	-	1
(Increase) Decrease in:			
Accounts Receivable	(1,354)	(11,273)	(12,627)
Increase (Decrease) in:			
Accounts Payable	(11,491)	8,845	(2,646)
Customer Deposits	3,570	-	3,570
Total Adjustments	139,514	(2,428)	137,086
Net Cash Provided (Used) by Operating Activities	$ 65,472	$ 18,095	$ 83,567
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES	$ -	$ -	$ -

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

CITY OF ARLINGTON, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2016

	Agency Funds
ASSETS	
Cash and Cash Equivalents	$ 22,263
Total Assets	22,263
LIABILITIES	
Due to Others	22,263
Total Liabilities	$ 22,263

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, 2016.

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 $1,162 to the RC for the year ended June 30, 2016. 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.

Sanitation Fund - is used to account for the provision of refuse collection 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.

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 $143,729. 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. 72, *Fair Value Measurement and Application*. GASBS 72 provides a new definition of "investments" and provides guidance in measuring fair value in financial statements and requires significant disclosures as to the fair value hierarch it establishes.

The City has adopted GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. GASBS 76 supersedes GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. GASBS 76 reduces the GAAP to two categories, Category A - officially established accounting principles, which consist of GASB Statements and Category B - GASB Technical Bulletins, GASB Implementation Guides, and literature of the AICPA that has been cleared by the GASB.

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 general government and public works department in violation of O.C.G.A. 36-81-3 by $3,162 and $5,374 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, 2016, the City's deposits had a carrying amount of $525,120 and a bank balance of $562,106. Of the bank balance, $255,594 was covered by federal depository insurance and $306,512 was secured by collateral held by the pledging bank's agent in the City's name.

Component Units

At June 30, 2016, the Arlington Downtown Development Authority's deposits had a carrying amount of $4,731 and a bank balance of $4,908. 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, 2016, the City's investments had a carrying amount of $111,536 and a bank balance of $111,536. Of the bank balance, $1,882 was covered by federal depository insurance and $109,654 was secured by collateral held by the pledging bank's agent in the City's name.

Component Units

At June 30, 2016, 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 (September 16) 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	Sanitation	Nonmajor and Other Funds	Total
Receivables:					
Taxes	$ 21,687	$ -	$ -	$ 6,963	$ 28,650
Inter-governmental	-	-	-	5,000	5,000
Accounts	249	41,501	11,273	-	53,023
Other	819	-	-	-	819
Totals	$ 22,755	$ 41,501	$ 11,273	$11,963	$ 87,492

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, 2016 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, 2015	$ 73,631	$ -	$ 860,727	$ 507,149	$ 728,530	$ 2,170,037
Increases	-	9,329	-	-	36,219	45,548
Decreases	-	-	-	-	(49,498)	(49,498)
Balance, June 30, 2016	73,631	9,329	860,727	507,149	715,251	2,166,087
Accumulated Depreciation:						
Balance, June 30, 2015	-	-	(458,144)	(255,687)	(489,454)	(1,203,285)
Increases	-	-	(22,049)	(25,358)	(48,886)	(96,293)
Decreases	-	-	-	-	19,445	19,445
Balance, June 30, 2016	-	-	(480,193)	(281,045)	(518,895)	(1,280,133)
Capital Assets, Net	$ 73,631	$ 9,329	$ 380,534	$ 226,104	$ 196,356	$ 885,954
Business-Type Activities						
Balance, June 30, 2015	$ 36,985	$ 30,000	$ -	$7,144,101	$ 75,596	$ 7,286,682
Increases	-	-	-	6,266	-	6,266
Decreases	-	-	-	-	-	-
Balance, June 30, 2016	36,985	30,000	-	7,150,367	75,596	7,292,948
Accumulated Depreciation:						
Balance, June 30, 2015	-	-	-	(1,782,421)	(64,615)	(1,847,036)
Increases	-	-	-	(144,001)	(4,787)	(148,788)
Decreases	-	-	-	-	-	-
Balance, June 30, 2016	-	-	-	(1,926,422)	(69,402)	(1,995,824)
Capital Assets, Net	$ 36,985	$ 30,000	$ -	$5,223,945	$ 6,194	$ 5,297,124
Total Capital Assets, Net	$ 110,616	$ 39,329	$ 380,534	$5,450,049	$ 202,550	$ 6,183,078
Component Units						
Balance, June 30, 2015	$ 8,089	$ -	$ -	$ -	$ -	$ 8,089
Increases	-	-	-	-	-	-
Decreases	-	-	-	-	-	-
Balance, June 30, 2016	8,089	-	-	-	-	8,089
Accumulated Depreciation:						
Balance, June 30, 2015	-	-	-	-	-	-
Increases	-	-	-	-	-	-
Decreases	-	-	-	-	-	-
Balance, June 30, 2016	-	-	-	-	-	-
Capital Assets, Net	$ 8,089	$ -	$ -	$ -	$ -	$ 8,089

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

Governmental Activities		Business-Type Activities	
General Government	$ 16,780	Water and Sewerage	$ 148,788
Public Safety	32,629		
Public Works	42,092		
Culture and Recreation	4,792		
Totals	$ 96,293		$ 148,788

B. LIABILITIES

1. Long-Term Debt

Primary Government

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

Business-Type Activities

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

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

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

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

	Balance July 1, 2015	Additions	Retirements	Balance June 30, 2016	Due Within 1 Year
Business-Type Activities					
2009 Series, 4.25% Water And Sewerage System Revenue Bond, For Sewage System Improvements, (Original Amount $1,340,000)	$ 1,254,058	$ -	$ (16,671)	$ 1,237,387	$ 17,540
Totals Business-Type Activities	$ 1,254,058	$ -	$ (16,671)	$ 1,237,387	$ 17,540
Total Long-Term Debt	$ 1,254,058	$ -	$ (16,671)	$ 1,237,387	$ 17,540

The annual requirements to amortize the preceding obligations as of June, 30, 2016, are as follows:

Year Ending	Governmental Activities			Business-Type Activities		
June 30,	Principal	Interest	Total	Principal	Interest	Total
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	-	-	-	20,778	49,014	69,792
2022-2026	-	-	-	118,064	230,896	348,960
2027-2031	-	-	-	145,970	202,990	348,960
2032-2036	-	-	-	180,391	168,569	348,960
2037-2041	-	-	-	223,154	125,806	348,960
2042-2046	-	-	-	275,909	73,051	348,960
2047-2050	-	-	-	198,405	13,444	211,849
Totals	$ -	$ -	$ -	$ 1,237,387	$1,068,222	$ 2,305,609

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, 2016 was $200,643.

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
2015 CDBG	20
2007 Special Purpose Local Option Sales Tax Fund	12,501
2012 Special Purpose Local Option Sales Tax Fund	55,640
2013 Special Purpose Local Option Sales Tax Fund	75,588
Water and Sewerage Enterprise Fund	73,427
Total Restricted Net Position/Fund Balances	$ 217,190

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

Recreation	$ 7,910
Fire Department	3,076
Travel	234
May Day Festival	3,975
May Day Scholarship	1,011
Payroll Deductions	169
Grant Matching	63,257
Total Assigned Fund Balances	$ 79,632

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	$ 2,688	$ -
2012 Special Purpose Local Option Sales Tax Fund	-	2,688
Totals	$ 2,688	$ 2,688

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	SPLOST Fund	Sanitation Fund	Water & Sewer Fund	Total Transfers In
Governmental Activities					
General Fund	$ -	$ -	$ 18,095	$ 5,885	$ 23,980
2015 CDBG Fund	20	-	-	-	20
2012 SPLOST Fund	36,219	-	-	-	36,219
Total Governmental Activities	36,239	-	18,095	5,885	60,219
Business-Type Activities					
Water & Sewerage Fund	-	12,551	-	-	12,551
Total Business-Type Activities	-	12,551	-	-	12,551
Total Transfers Out	$ 36,239	$ 12,551	$ 18,095	$ 5,885	$ 72,770

NOTE 4 - RETIREMENT PLANS

A. PEACE OFFICERS ANNUITY AND BENEFIT FUND OF GEORGIA

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. The City's pension expense as a result of participating in this plan is not material to the financial statements. For more information contact the Peace Officers Annuity and Benefit Fund of Georgia.

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, 2016, the contributions of the employees and City amounted to $7,582 and $3,495 respectively. No plan forfeitures are included in the City's pension expense for the year and the City had no liability for contributions at year end.

NOTE 5 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

A. LITIGATION

No litigation is pending (or has been threatened) against the City at June 30, 2016.

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

A. GRANT AWARD

On October 7, 2016 the City was awarded a Community Development Block Grant (CDBG) in the amount of $500,000 for the purpose of making improvements to its sewer facilities.

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

NOTE 7 - PRIOR PERIOD ADJUSTMENT

Component Unit

The Arlington Downtown Development Authority has restated its capital assets reported in its fiscal year end June 30, 2015 financial statements. The restatement is the result of the discovery that real estate owned by a private corporation with a similar name was recorded as belonging to the DDA when the DDA first began reporting its financial activities many years ago. The error went undetected due to the extremely infrequent transaction activity involving the DDA's capital assets. The following table details the correction.

Net Position July 1, 2015 as originally reported	$ 50,067
Decrease in Capital Assets, Not Being Depreciated	(40,941)
Net Position July 1, 2015 as restated	$ 9,126

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, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes	$ 505,300	$ 505,300	$ 516,502	$ 11,202
Licenses and Permits	14,000	14,000	20,858	6,858
Fines and Forfeitures	15,000	15,000	29,795	14,795
Charges for Services	-	-	1,793	1,793
Intergovernmental Revenue	1,200	1,200	19,691	18,491
Miscellaneous Revenue	13,950	13,950	20,012	6,062
Total Revenues	549,450	549,450	608,651	59,201
EXPENDITURES				
General Government	150,690	150,690	153,852	(3,162)
Public Safety	227,425	227,425	214,241	13,184
Public Works	172,775	172,775	178,149	(5,374)
Culture and Recreation	23,245	23,245	17,702	5,543
Total Expenditures	574,135	574,135	563,944	10,191
Excess (Deficiency) of Revenues Over Expenditures	(24,685)	(24,685)	44,707	69,392
OTHER FINANCING SOURCES (USES)				
Re-appropriated Fund Balance	4,685	4,685	-	(4,685)
Proceeds on Sale of Equipment	-	-	36,219	36,219
Transfers In	20,000	20,000	23,980	3,980
Transfers Out	-	-	(36,239)	(36,239)
Net Other Financing Source (Uses)	24,685	24,685	23,960	(725)
Net Change in Fund Balance	-	-	68,667	68,667
Fund Balance - Beg of Year	135,719	135,719	135,719	-
Fund Balance - End of Year	$ 135,719	$ 135,719	$ 204,386	$ 68,667

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, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
TAXES				
Property Taxes	$ 224,500	$ 224,500	$ 237,214	$ 12,714
Local Option Sales Taxes	95,000	95,000	81,753	(13,247)
Alcoholic Beverage Taxes	17,000	17,000	16,382	(618)
Insurance Premiums Tax	77,000	77,000	85,048	8,048
Franchise Taxes	77,000	77,000	81,485	4,485
Excise Tax on Energy	12,000	12,000	11,077	(923)
Railroad Equipment Tax	1,000	1,000	2,110	1,110
Housing Authority- In Lieu of Taxes	800	800	1,183	383
Real Estate Transfer Tax	-	-	-	-
Intangible Taxes	1,000	1,000	250	(750)
Total Taxes	505,300	505,300	516,502	11,202
LICENSES AND PERMITS				
Business Licenses	14,000	14,000	12,358	(1,642)
Other Licenses and Permits	-	-	8,500	8,500
Total Licenses and Permits	14,000	14,000	20,858	6,858
FINES AND FORFEITURES				
Fines and Forfeitures	15,000	15,000	29,795	14,795
Total Fines and Forfeitures	15,000	15,000	29,795	14,795
CHARGES FOR SERVICES				
Police Services	-	-	1,793	1,793
Total Charges for Services	-	-	1,793	1,793
INTERGOVERNMENTAL REVENUE				
State Government	-	-	18,491	18,491
Other Local Governments	1,200	1,200	1,200	-
Total Intergovernmental Revenue	1,200	1,200	19,691	18,491
MICELLANEOUS REVENUE				
Recreation Charges	2,800	2,800	2,866	66
Interest Earnings	500	500	1,250	750
Penalties	1,000	1,000	3,397	2,397
Cemetery	500	500	-	(500)
Rents and Deposits	7,200	7,200	10,458	3,258
Miscellaneous	1,950	1,950	2,041	91
Total Miscellaneous Revenue	13,950	13,950	20,012	6,062
GRAND TOTAL REVENUES	$ 549,450	$ 549,450	$ 608,651	$ 59,201

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, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
GENRAL GOVERNMENT				
Salaries	$ 58,000	$ 58,000	$ 65,572	$ (7,572)
Council Fees	5,000	5,000	4,983	17
Mayors Fee	2,700	2,700	2,625	75
Mayor Pro-Tem Fee	1,400	1,400	1,525	(125)
Salaries-BH Manager	11,000	11,000	4,543	6,457
Election Labor & Cost	4,200	4,200	8,741	(4,541)
Insurance-Public Officials	1,475	1,475	1,782	(307)
Health Insurance	7,200	7,200	-	7,200
Payroll Taxes	8,100	8,100	6,718	1,382
Employers Retirement	1,200	1,200	1,320	(120)
Management Maintenance	5,400	5,400	7,146	(1,746)
Business License Software	2,000	2,000	1,884	116
Property Tax Software	2,000	2,000	1,884	116
Workers Compensation Insurance	800	800	619	181
Audit Fees	6,500	6,500	6,815	(315)
Legal Fees	6,000	6,000	10,060	(4,060)
Building Maintenance	1,000	1,000	1,381	(381)
Insurance	1,575	1,575	2,270	(695)
Telephone	3,140	3,140	4,110	(970)
Advertisements	3,000	3,000	4,274	(1,274)
Dues	4,000	4,000	3,456	544
Clerks Training	3,000	3,000	2,175	825
Public Officials Training	2,000	2,000	767	1,233
Office Supplies	4,000	4,000	3,727	273
Electricity	3,000	3,000	2,940	60
New Equipment	1,500	1,500	-	1,500
Office Equipment	1,500	1,500	2,478	(978)
Miscellaneous	-	-	57	(57)
Total General Government	150,690	150,690	153,852	(3,162)
PUBLIC SAFETY				
Police Department:				
Salaries	113,000	113,000	120,705	(7,705)
Health Insurance	13,000	13,000	-	13,000
Payroll Taxes	8,500	8,500	9,234	(734)
Employers Retirement	2,200	2,200	238	1,962
Workers Compensation Insurance	6,000	6,000	11,154	(5,154)
Uniforms	1,500	1,500	1,256	244
Recorder's Court	11,750	11,750	12,633	(883)
Computer Maintenance	600	600	115	485
Equipment Maintenance and Repair	1,500	1,500	1,473	27
Vehicle Maintenance and Repair	6,000	6,000	5,929	71
Insurance	3,925	3,925	4,257	(332)
Police Liability Insurance	2,850	2,850	2,336	514
Telephone	3,000	3,000	3,444	(444)
Training and Mileage	6,800	6,800	4,419	2,381
Supplies	$ 1,500	$ 1,500	$ 2,159	$ (659)

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, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
PUBLIC SAFETY (continued)				
Police Department (continued):				
Electricity	$ 2,800	$ 2,800	$ 1,869	$ 931
Jail Expense	2,000	2,000	1,328	672
Gas and Oil	14,000	14,000	8,589	5,411
Breath Alcohol Tests	500	500	-	500
Witness Fees	200	200	120	80
Small Equipment	800	800	2,716	(1,916)
Emergency Fund	1,500	1,500	-	1,500
Drug Task Force	2,300	2,300	2,118	182
Capital Outlay:	-	-	-	-
Total Police Department	206,225	206,225	196,092	10,133
Fire Department:				
Salaries	2,400	2,400	2,400	-
Firemen's Retainer	3,000	3,000	2,250	750
Asst. Fire Chief Salary	900	900	900	-
Fireman on Call	200	200	-	200
Payroll Taxes	300	300	425	(125)
Management Maintenance	900	900	919	(19)
Building Maintenance	200	200	52	148
Vehicle Maintenance and Repair	800	800	1,318	(518)
Street Maintenance	1,400	1,400	829	571
Insurance	2,700	2,700	3,289	(589)
Training and Mileage	800	800	580	220
Supplies	500	500	1,010	(510)
Electricity	1,500	1,500	1,475	25
Uniforms	1,400	1,400	1,400	-
Fire Hydrant Testing	1,200	1,200	1,200	-
Small Equipment	3,000	3,000	102	2,898
Total Fire Department	21,200	21,200	18,149	3,051
Total Public Safety	227,425	227,425	214,241	13,184
PUBLIC WORKS				
Salaries	44,000	44,000	57,167	(13,167)
Health Insurance	7,200	7,200	-	7,200
Payroll Taxes	3,925	3,925	4,373	(448)
Employers Retirement	1,025	1,025	702	323
Workers Compensation Insurance	8,000	8,000	3,423	4,577
Uniforms	1,600	1,600	1,692	(92)
Animal Control	1,500	1,500	360	1,140
Vehicle Maintenance	2,000	2,000	6,631	(4,631)
Building Maintenance	1,000	1,000	106	894
Equipment Maintenance and Repair	15,000	15,000	14,734	266
Street Maintenance	10,000	10,000	12,821	(2,821)
Insurance	3,825	3,825	2,978	847
Telephone	$ 700	$ 700	$ 639	$ 61

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, 2016

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
PUBLIC WORKS (continued)				
Training and Mileage	$ 500	$ 500	$ 31	$ 469
Inmates	2,000	2,000	3,388	(1,388)
Supplies	5,000	5,000	7,214	(2,214)
Pesticides	7,000	7,000	7,381	(381)
Electricity	38,000	38,000	37,854	146
Gas, Oil, and Diesel	16,000	16,000	14,372	1,628
Mosquito Spraying	3,500	3,500	2,283	1,217
Emergency Fund	1,000	1,000	-	1,000
Total Public Works	172,775	172,775	178,149	(5,374)
CULTURE AND RECREATION				
Recreation Department:				
Maintenance and Repair	1,000	1,000	1,151	(151)
Insurance	1,340	1,340	1,352	(12)
Electricity	4,500	4,500	3,539	961
Miscellaneous	-	-	7	(7)
Small Equipment	-	-	-	-
Calhoun County Recreation	250	250	-	250
Total Recreation Department	7,090	7,090	6,049	1,041
Community and Senior Center:				
Maintenance and Repair	1,000	1,000	642	358
Insurance	5,885	5,885	5,685	200
Electricity	1,200	1,200	2,450	(1,250)
Total Community Center	8,085	8,085	8,777	(692)
Other:				
Calhoun County Library	250	250	250	-
CHIP Grant Administration	5,000	5,000	-	5,000
Depot Insurance	570	570	808	(238)
Calhoun County Community Center	250	250	250	-
May Day Committee	500	500	1,032	(532)
Downtown Development Authority	1,000	1,000	496	504
Other	500	500	40	460
Total Other	8,070	8,070	2,876	5,194
Total Culture and Recreation	23,245	23,245	17,702	5,543
GRAND TOTAL EXPENDITURES	$ 574,135	$ 574,135	$ 563,944	$ 10,191

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

CITY OF ARLINGTON, GEORGIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016

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:

General Government	$ 3,162
Public Works	5,374

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, 2016	JUNE 30, 2015
ASSETS		
Cash and Cash Equivalents	$ 198,876	$ 126,822
Investments in Certificates of Deposit	1,882	1,871
Accounts Receivable	249	10,732
Property Taxes Receivable	696	1,288
Motor Vehicle Taxes Receivable	78	128
Mobile Home Taxes Receivable	-	29
Title Ad-valorem Tax Fees	2,528	1,607
Local Option Sales Taxes Receivable	13,763	14,047
Energy Excise Tax Receivable	2,122	3,191
Alcoholic Beverages Taxes Receivable	1,650	1,492
Franchise Taxes Receivable	807	197
Railroad Equipment Taxes	-	1,463
Intangible Tax Receivable	43	52
Fines Receivable	819	-
Due from 2012 SPLOST Fund	-	2,688
Total Assets	$ 223,513	$ 165,607
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	15,658	26,958
Payroll Taxes and Withholdings Payable	781	2,565
Due to 2007 SPLOST Fund	-	365
Due to 2012 SPLOST Fund	2,688	-
Total Liabilities	19,127	29,888
Fund Balance:		
Fund Balance Assigned For:		
Recreation	7,910	8,335
Fire	3,076	3,321
Travel	234	23
May Day	3,975	4,298
May Day Scholarship	1,011	1,011
Payroll Deductions	169	202
Grant Matching	63,257	44,272
Fund Balance Unassigned	124,754	74,257
Total Fund Balance	204,386	135,719
Total Liabilities and Fund Balance	$ 223,513	$ 165,607

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

	JUNE 30, 2016	JUNE 30, 2015
REVENUES		
Taxes	$ 516,502	$ 517,730
Licenses and Permits	20,858	16,646
Fines & Forfeitures	29,795	22,746
Charges for Services	1,793	116,171
Intergovernmental	19,691	19,854
Miscellaneous	20,012	22,376
Total Revenues	608,651	715,523
EXPENDITURES		
General Government	153,852	139,242
Public Safety	214,241	207,535
Public Works	178,149	270,613
Culture & Recreation	17,702	22,087
Total Expenditures	563,944	639,477
Excess (Deficiency) of Revenues Over Expenditures	44,707	76,046
OTHER FINANCING SOURCES (USES)		
Proceeds on Sale of Equipment	36,219	-
Transfers In	23,980	-
Transfers Out	(36,239)	(18,573)
Total Other Financing Sources (Uses)	23,960	(18,573)
Net Change in Fund Balance	68,667	57,473
Fund Balance - Beginning of Year	135,719	78,246
Fund Balance - End of Year	$ 204,386	$ 135,719

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

	JUNE 30, 2016	JUNE 30, 2015
TAXES		
Property Taxes	$ 237,214	$ 233,311
Local Option Sales Taxes	81,753	90,022
Alcoholic Beverage Taxes	16,382	17,364
Insurance Premiums Tax	85,048	79,608
Franchise Tax	81,485	79,944
Excise Tax on Energy	11,077	13,065
Railroad Equipment Tax	2,110	3,048
Housing Authority - In Lieu of Taxes	1,183	630
Real Estate Transfer Tax	-	62
Intangible Taxes	250	676
Total Taxes	516,502	517,730
LICENSES AND PERMITS		
Business Licenses	12,358	11,146
Other Licenses and Permits	8,500	5,500
Total Licenses and Permits	20,858	16,646
FINES AND FORFEITURES		
Fines and Forfeitures	29,795	22,746
Total Fines and Forfeitures	29,795	22,746
CHARGES FOR SERVICES		
Police Services	1,793	-
Garbage Fees	-	116,171
Total Charges for Services	1,793	116,171
INTERGOVERNMENTAL REVENUE		
Federal Government	-	-
State Government	18,491	18,654
Other Local Governments	1,200	1,200
Total Intergovernmental Revenue	19,691	19,854
MISCELLANEOUS REVENUE		
Recreation Charges	2,866	6,035
Interest Earnings	1,250	891
Penalties	3,397	5,320
Rents and Deposits	10,458	8,010
Miscellaneous	2,041	2,120
Total Miscellaneous Revenue	20,012	22,376
GRAND TOTAL REVENUES	$ 608,651	$ 715,523

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

	JUNE 30, 2016	JUNE 30, 2015
GENERAL GOVERNMENT		
Salaries	$ 65,572	$ 65,754
Council Fees	4,983	4,775
Mayors Fee	2,625	2,400
Mayor Pro-Tem Fee	1,525	1,450
Election Labor	8,741	-
Salaries-BH Manager	4,543	8,029
Insurance-Public Officials	1,782	1,089
Health Insurance	-	578
Payroll Taxes	6,718	6,466
Employers Retirement	1,320	1,349
Management Maintenance	7,146	4,107
Business License Software	1,884	307
Property Tax Software	1,884	307
Workers Compensation Insurance	619	252
Audit	6,815	6,300
Legal	10,060	6,095
Building Maintenance	1,381	1,304
Insurance	2,270	4,879
Telephone	4,110	3,638
Advertisements	4,274	2,956
Dues	3,456	3,808
Clerks Training	2,175	2,215
Public Officials Training	767	1,344
Office Supplies	3,727	4,462
Electricity	2,940	3,035
Miscellaneous	57	53
Office Equipment	2,478	2,290
Total General Government	153,852	139,242
PUBLIC SAFETY		
Police Department:		
Salaries	120,705	116,400
Payroll Taxes	9,234	9,124
Health Insurance	-	1,055
Retirement	238	928
Investigation	-	-
Uniforms	1,256	743
Recorder's Court	12,633	8,656
Workers Compensation Insurance	11,154	4,639
Computer Maintenance	115	248
Equipment Maintenance and Repair	1,473	1,026
Vehicle Maintenance and Repair	5,929	2,575
Insurance	4,257	5,068
Insurance - Police Liability	2,336	3,640
Telephone	3,444	3,394
Training and Mileage	4,419	2,271
Supplies	2,159	1,706
Jail Expense	1,328	1,488
Witness	120	-
Gas and Oil	$ 8,589	$ 11,187

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

	JUNE 30, 2016	JUNE 30, 2015
PUBLIC SAFETY (continued)		
Police Department (continued):		
Electricity	$ 1,869	$ 2,830
Emergency Fund	-	1,289
Small Equipment	2,716	761
Drug Task Force	2,118	2,331
Capital Outlay:	-	-
Total Police Department	196,092	181,359
Fire Department:		
Salaries	2,400	2,400
Fireman's Retainer	2,250	3,196
Asst. Fire Chief Salary	900	475
Payroll Taxes	425	310
Management Maintenance	919	720
Uniforms	1,400	1,815
Building Maintenance and Repair	52	49
Vehicle Maintenance and Repair	1,318	910
Street Maintenance	829	1,289
Insurance	3,289	4,814
Training and Mileage	580	179
Supplies	1,010	1,183
Electricity	1,475	1,782
Fire Hydrant Testing	1,200	1,200
Miscellaneous	-	-
Small Equipment	102	5,854
Capital Outlay:	-	-
Total Fire Department	18,149	26,176
Total Public Safety	214,241	207,535
PUBLIC WORKS		
Salaries	57,167	52,455
Payroll Taxes	4,373	4,076
Health Insurance	-	607
Retirement	702	435
Workers Compensation Insurance	3,423	5,762
Uniforms	1,692	1,692
Animal Control	360	940
Building Maintenance	106	66
Equipment Maintenance and Repair	14,734	19,470
Vehicle Maintenance and Repair	6,631	1,218
Street Maintenance	12,821	5,849
Insurance	2,978	4,430
Telephone	639	713
Training and Mileage	31	793
Inmate Expense	3,388	3,002
Supplies	7,214	5,376
Pesticides	7,381	13,475
Electricity	$ 37,854	$ 38,804

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

	JUNE 30, 2016	JUNE 30, 2015
PUBLIC WORKS (continued)		
Gas and Oil	$ 14,372	$ 13,625
Mosquito Spraying	2,283	1,100
Miscellaneous	-	1,241
Garbage Collection and Disposal	-	93,149
Cemetery Maintenance	-	2,335
Capital Outlay:	-	-
Total Public Works	178,149	270,613
CULTURE AND RECREATION		
Recreation Department:		
Maintenance and Repair	1,151	1,052
Insurance	1,352	1,231
Electricity	3,539	4,985
Supplies	-	100
Miscellaneous	7	-
Total Recreation Department	6,049	7,368
Community Center:		
Maintenance and Repair	642	790
Electricity	2,450	1,717
Insurance	5,685	3,280
Total Community Center	8,777	5,787
Other:		
Downtown Development	496	1,200
Miscellaneous	40	-
CHIP Grant	-	5,000
Depot Insurance	808	-
May Day Committee	1,032	732
Senior Center	-	1,500
Calhoun County Community Center	250	250
Calhoun County Library	250	250
Capital Outlay	-	-
Total Other	2,876	8,932
Total Culture and Recreation	17,702	22,087
GRAND TOTAL EXPENDITURES	$ 563,944	$ 639,477

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.

2012 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.

2015 Community Development Block Grant or CDBG - is used to account for a $500,000 Community Development Block Grant (CDBG) grant (Grant #: 15rd-x-019-2-5821) for demolition and clearance of an old school and gymnasium for purposes of future redevelopment into a recreational area for local residents to include baseball fields, basketball and tennis courts, walking trails and other recreational areas.

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, 2016

	Special Revenue	Capital	
	CHIP	2012 CDBG	2013 SPLOST
ASSETS			
Cash and Cash Equivalents	$ 14	$ -	$ 77,074
Intergovernmental Receivables:			
SPLOST Receivable	-	-	2,183
Federal Government-Passed Through GA DCA	-	-	-
Due from General Fund	-	-	-
Total Assets	14	-	79,257
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts Payable	-	-	3,669
Total Liabilities	-	-	3,669
Fund Balance:			
Fund Balance Restricted For:			
CHIP Projects	14	-	-
SPLOST Projects	-	-	75,588
CDBG Projects	-	-	-
Fund Balance Assigned For:			
Debt Service	-	-	-
Total Fund Balance	14	-	75,588
Total Liabilities And Fund Balance	$ 14	$ -	$ 79,257

CITY OF ARLINGTON, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

Projects				
2012 SPLOST	2007 SPLOST	2015 CDBG	Debt Service	Total Nonmajor Governmental Funds
$ 48,172	$ 12,501	$ 20	$ -	$ 137,781
4,780	-	-	-	6,963
-	-	5,000	-	5,000
2,688	-	-	-	2,688
55,640	12,501	5,020	-	152,432
-	-	5,000	-	8,669
-	-	5,000	-	8,669
-	-	-	-	14
55,640	12,501	-	-	143,729
-	-	20	-	20
-	-	-	-	-
55,640	12,501	20	-	143,763
$ 55,640	$ 12,501	$ 5,020	$ -	$ 152,432

CITY OF ARLINGTON, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Special Revenue		Capital
	CHIP	2012 CDBG	2013 SPLOST
REVENUES			
Intergovernmental	$ -	$ -	$ 26,557
Miscellaneous	-	-	431
Total Revenues	-	-	26,988
EXPENDITURES			
Capital Outlay	-	-	5,443
Debt Service	-	-	-
Total Expenditures	-	-	5,443
Excess (Deficiency) of Revenues Over Expenditures	-	-	21,545
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balance	-	-	21,545
Fund Balance - Beg of Year	14	-	54,043
Fund Balance - End of Year	$ 14	$ -	$ 75,588

CITY OF ARLINGTON, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

Projects				
2012 SPLOST	2007 SPLOST	2015 CDBG	Debt Service	Total Nonmajor Governmental Funds
$ 31,079	$ -	$ 5,000	$ -	$ 62,636
320	96	-	-	847
31,399	96	5,000	-	63,483
43,112	9,245	5,000	-	62,800
-	-	-	-	-
43,112	9,245	5,000	-	62,800
(11,713)	(9,149)	-	-	683
36,219	-	20	-	36,239
(12,551)	-	-	-	(12,551)
23,668	-	20	-	23,688
11,955	(9,149)	20	-	24,371
43,685	21,650	-	-	119,392
$ 55,640	$ 12,501	$ 20	$ -	$ 143,763

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

	JUNE 30, 2016	JUNE 30, 2015
ASSETS		
Cash and Cash Equivalents	$ 14	$ 14
Total Assets	14	14
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	-	-
Due to General Fund	-	-
Total Liabilities	-	-
Fund Balance:		
Fund Balance Restricted for CHIP Projects	14	14
Total Fund Balance	14	14
Total Liabilities and Fund Balance	$ 14	$ 14

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, 2016
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015

	Totals			
	2016		Variance Over	2015
	Budget	Actual	(Under)	Actual
REVENUES				
Federal Government:				
Georgia Housing and Finance Authority- Community Home Investment Program	$ -	$ -	$ -	$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Current:				
General Government	-	-	-	6
Housing and Development:				
Rehabilitation of Private Properties	-	-	-	-
Administration	-	-	-	-
Total Expenditures	-	-	-	6
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	20
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	20
Net Change in Fund Balance	-	-	-	14
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ -	$ 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, 2016

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 (CDBG)- MULTI INFRASTRUCTURE
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS

	JUNE 30, 2016	JUNE 30, 2015
ASSETS		
Cash and Cash Equivalents	$ -	$ -
Due from General Fund	-	-
Total Assets	-	-
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	-	-
Total Liabilities	-	-
Fund Balance:		
Fund Balance Restricted for CDGB Projects	-	-
Total Fund Balance	-	-
Total Liabilities and Fund Balance	$ -	$ -

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

	JUNE 30, 2016	JUNE 30, 2015
REVENUES		
Federal Government:		
Georgia Department of Community Affairs- Community Development Block Grant	-	24,454
Total Revenues	-	24,454
EXPENDITURES		
Capital Outlay:		
Engineering - Water/Sewer Improvements	-	-
Sewer Facilities	-	20,042
Flood and Drainage Facilities	-	333
Engineering - Street Improvements/Flood and Drainage	-	-
Administration	-	4,179
Total Expenditures	-	24,554
Excess (Deficiency) of Revenues Over Expenditures	-	(100)
OTHER FINANCING SOURCES AND USES		
Transfers In	-	-
Transfers Out	-	-
Total Other Financing Sources (Uses)	-	-
Net Change in Fund Balance	-	(100)
Fund Balance - Beginning of Year	-	100
Fund Balance - End of Year	$ -	$ -

CITY OF ARLINGTON, GEORGIA
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) - MULTI INFRASTRUCTURE
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) - MULTI INFRASTRUCTURE
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) - MULTI INFRASTRUCTURE
SOURCE AND APPLICATION OF FUNDS SCHEDULE
CDBG PROGRAM NO. 12p-x-019-2-5494
FOR THE CUMULATIVE PERIOD ENDED JUNE 30, 2016

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, 2016	JUNE 30, 2015
ASSETS		
Cash and Cash Equivalents	$ 77,074	$ 54,654
Special Purpose Local Option Sales Tax Receivable	2,183	2,279
Total Assets	79,257	56,933
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	3,669	-
Due to 2007 SPLOST	-	2,890
Total Liabilities	3,669	2,890
Fund Balance		
Fund Balance Restricted for SPLOST Projects	75,588	54,043
Total Fund Balance	75,588	54,043
Total Liabilities and Fund Balance	$ 79,257	$ 56,933

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, 2016	JUNE 30, 2015
REVENUES		
Calhoun County, Georgia:		
Special Purpose Local Option Sales Tax	$ 26,557	$ 29,634
Miscellaneous - Interest Earnings	431	302
Total Revenues	26,988	29,936
EXPENDITURES		
Current:		
Checks	-	6
Capital Outlay:		
Blower	286	-
Weed Eater	267	-
Pump	561	-
Building Improvements	4,329	378
Total Expenditures	5,443	384
Excess (Deficiency) of Revenues Over Expenditures	21,545	29,552
OTHER FINANCING SOURCES AND USES		
Transfers In	-	-
Transfers Out	-	(1,007)
Total Other Financing Sources (Uses)	-	(1,007)
Net Change in Fund Balance	21,545	28,545
Fund Balance - Beginning of Year	54,043	25,498
Fund Balance - End of Year	$ 75,588	$ 54,043

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

	JUNE 30, 2016	JUNE 30, 2015
ASSETS		
Cash and Cash Equivalents	$ 48,172	$ 41,367
Special Purpose Local Option Sales Tax Receivable	4,780	5,006
Due from General Fund	2,688	-
Total Assets	55,640	46,373
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	-	-
Due to General Fund	-	2,688
Total Liabilities	-	2,688
Fund Balance		
Fund Balance Restricted for SPLOST Projects	55,640	43,685
Total Fund Balance	55,640	43,685
Total Liabilities and Fund Balance	$ 55,640	$ 46,373

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, 2016	JUNE 30, 2015
REVENUES		
Early County, Georgia:		
Special Purpose Local Option Sales Tax	$ 31,079	$ 34,801
Miscellaneous - Interest Earnings	320	427
Total Revenues	31,399	35,228
EXPENDITURES		
Capital Outlay:		
2009 Crown Victoria Police Car	2,000	-
Edger	419	-
Radios	1,706	-
Alcohol-Breath Sensor	1,041	-
Husqvarna Saw	1,109	-
Reflective Tape for Street	618	-
JD310J Backhoe Loader	36,219	-
Bobcat Predator Pro Mower	-	7,980
Police Pistol and Accessories	-	1,696
Computer Equipment-Printer	-	498
Total Expenditures	43,112	10,174
Excess (Deficiency) of Revenues Over Expenditures	(11,713)	25,054
OTHER FINANCING SOURCES AND USES		
Transfers In	36,219	-
Transfers Out	(12,551)	(41,899)
Total Other Financing Sources (Uses)	23,668	(41,899)
Net Change in Fund Balance	11,955	(16,845)
Fund Balance - Beginning of Year	43,685	60,530
Fund Balance - End of Year	$ 55,640	$ 43,685

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

	JUNE 30, 2016	JUNE 30, 2015
ASSETS		
Cash and Cash Equivalents	$ 12,501	$ 18,395
Due from 2012 SPLOST	-	-
Due from 2013 SPLOST	-	2,890
Due from General Fund	-	365
Total Assets	12,501	21,650
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	-	-
Total Liabilities	-	-
Fund Balance		
Fund Balance Restricted for SPLOST Projects	12,501	21,650
Total Fund Balance	12,501	21,650
Total Liabilities and Fund Balance	$ 12,501	$ 21,650

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, 2016	JUNE 30, 2015
REVENUES		
Miscellaneous - Interest Earnings	$ 96	$ 201
Total Revenues	96	201
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
Playground Equipment	4,144	-
Gym Improvements	2,635	-
Ballfield Lights	2,079	-
Border Fence	387	-
Total Expenditures	9,245	9,462
Excess (Deficiency) of Revenues Over Expenditures	(9,149)	(9,261)
OTHER FINANCING SOURCES AND USES		
Transfers In	-	-
Transfers Out	-	(6,474)
Total Other Financing Sources (Uses)	-	(6,474)
Net Change in Fund Balance	(9,149)	(15,735)
Fund Balance - Beginning of Year	21,650	37,385
Fund Balance - End of Year	$ 12,501	$ 21,650

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

	JUNE 30, 2016	JUNE 30, 2015
ASSETS		
Cash and Cash Equivalents	$ 20	$ -
Intergovernmental Receivable:		
Federal Government-Passed Thru Georgia DCA	5,000	-
Total Assets	5,020	-
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	5,000	-
Total Liabilities	5,000	-
Fund Balance:		
Fund Balance Restricted for CDGB Projects	20	-
Total Fund Balance	20	-
Total Liabilities and Fund Balance	$ 5,020	$ -

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

	JUNE 30,	
	2016	2015
REVENUES		
Federal Government:		
Georgia Department of Community Affairs-		
Community Development Block Grant	5,000	-
Total Revenues	5,000	-
EXPENDITURES		
Capital Outlay:		
ED - Public Facilities and Improvements	-	-
Engineering - Commercial/Industrial		
Infrastructure Development	-	-
Administration	5,000	-
Total Expenditures	5,000	-
Excess (Deficiency) of Revenues Over Expenditures	-	-
OTHER FINANCING SOURCES AND USES		
Transfers In	20	-
Transfers Out	-	-
Total Other Financing Sources (Uses)	20	-
Net Change in Fund Balance	20	-
Fund Balance - Beginning of Year	-	-
Fund Balance - End of Year	$ 20	$ -

CITY OF ARLINGTON, GEORGIA
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) - REDEVELOPMENT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(PROJECT COST SCHEDULE)
CDBG PROGRAM NO. 15rd-x-019-2-5821
FOR THE GRANT PERIOD MAY 19, 2016 THROUGH MAY 19, 2018

	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		
ED - Public Facilities and Improvements	E-17B-00	419,643
Engineering - Commercial/Industrial Infrastructure Development	T-17B-00	50,357
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) - REDEVELOPMENT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(PROJECT COST SCHEDULE)
CDBG PROGRAM NO. 15rd-x-019-2-5821
FOR THE GRANT PERIOD MAY 19, 2016 THROUGH MAY 19, 2018

Accumulative CDBG Expenditures To Date	Accumulative Expenditures To Date (Other Funds)	Grand Total Of Expenditures To Date	Questioned Costs
$ 5,000	-	5,000	
5,000	-	5,000	
-	-	-	$ -
-	-	-	-
5,000	-	5,000	-
5,000	-	5,000	$ -
-	-	-	
-	-	-	
-	-	-	
-	-	-	
-	-	-	
-	-	-	
$ -	$ -	$ -	

CITY OF ARLINGTON, GEORGIA
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) - REDEVELOPMENT
SOURCE AND APPLICATION OF FUNDS SCHEDULE
CDBG PROGRAM NO. 15rd-x-019-2-5821
FOR THE CUMULATIVE PERIOD ENDED JUNE 30, 2016

Total Fiscal Year 2015 CDBG Funds Awarded Recipient	$ 500,000
Less: Deobligations	-
Adjusted Total Fiscal Year 2015 CDBG Funds Awarded Recipient	500,000
Total Amount Drawndown by Recipient From DCA	5,000
Less: CDBG Funds Expended By Recipient	5,000
Amount of Fiscal Year 2015 CDBG Funds Held By Recipient	$ -

CITY OF ARLINGTON, GEORGIA
DEBT SERVICE FUND
COMPARATIVE BALANCE SHEETS

	JUNE 30, 2016	JUNE 30, 2015
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, 2016
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015

	Totals			
	2016		Variance Over	2015
	Budget	Actual	(Under)	Actual
REVENUES				
Miscellaneous	$ -	$ -	$ -	$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Principal Retirement	-	-	-	52,183
Interest Paid	-	-	-	1,504
Total Expenditures	-	-	-	53,687
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	(53,687)
OTHER FINANCING SOURCES (USES)				
Proceeds of Long-Term Debt	-	-	-	-
Transfer In	-	-	-	53,687
Transfer Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	53,687
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.

Sanitation Fund - is used to account for the provision of refuse collection 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, 2016	JUNE 30, 2015
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 184,828	$ 173,828
Investment in Certificate of Deposit	39,862	38,933
Accounts Receivable	41,501	40,147
Restricted Assets:		
Cash and Cash Equivalents	3,635	16,611
Total Current Assets	269,826	269,519
Non-current Assets:		
Restricted Assets:		
Investment in Certificate of Deposit-Reserve and Renewal Extension Fund	69,792	69,792
Capital Assets:		
Water & Sewerage System	7,217,352	7,211,086
Machinery & Equipment	75,596	75,596
	7,292,948	7,286,682
Less Accumulated Depreciation	(1,995,824)	(1,847,036)
Net Capital Assets	5,297,124	5,439,646
Deposits	200	200
Total Non-current Assets	5,367,116	5,509,638
Total Assets	$ 5,636,942	$ 5,779,157

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

	JUNE 30, 2016	JUNE 30, 2015
LIABILTIES AND NET POSITION		
Current Liabilities:		
Accounts Payable	$ 12,234	$ 23,725
Payable from Restricted Assets:		
Revenue Bond - 2009 Series	17,540	16,671
Customer Deposits	45,228	41,658
Total Current Liabilities	75,002	82,054
Long-Term Liabilities:		
Revenue Bond - 2009 Series	1,219,847	1,237,387
Total Long-Term Liabilities	1,219,847	1,237,387
Total Liabilities	1,294,849	1,319,441
Net Position:		
Net Investment in Capital Assets	4,059,737	4,185,588
Restricted	73,427	86,403
Unrestricted	208,929	187,725
Total Net Position	4,342,093	4,459,716
Total Liabilities and Net Position	$ 5,636,942	$ 5,779,157

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, 2016	JUNE 30, 2015
OPERATING REVENUES		
Water & Sewerage Charges	$ 430,361	$ 413,763
Cut-on & Tap Fees	12,489	8,291
Penalties and Miscellaneous	9,046	14,199
Total Operating Revenues	451,896	436,253
OPERATING EXPENSES		
Salaries and Payroll Costs	75,674	64,687
Drinking Water Fees and Lab Tests	26,617	38,293
Maintenance and Repairs	34,291	56,361
Materials and Supplies	148,625	110,645
Electricity	67,546	57,995
Other Operating Expenses	24,397	17,790
Depreciation	148,788	146,969
Total Operating Expenses	525,938	492,740
Operating Loss	(74,042)	(56,487)
NON-OPERATING REVENUES AND EXPENSES		
Interest Income	2,874	2,418
Interest Expense	(53,121)	(53,673)
Total Non-Operating Revenues and Expenses	(50,247)	(51,255)
Net Income Before Contributions and Transfers	(124,289)	(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		
Transfer In	12,551	10,863
Transfer Out	(5,885)	(4,098)
Net Transfers	6,666	6,765
Net Income (Loss)	(117,623)	(38,942)
Net Position - Beginning of Year	4,459,716	4,498,658
Net Position - End of Year	$ 4,342,093	$ 4,459,716

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

	JUNE 30, 2016	JUNE 30, 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received From Customers	$ 454,112	$ 425,030
Cash Paid to Employees for Services	(61,769)	(53,814)
Cash Paid To Other Suppliers of Goods and Services	(326,871)	(289,564)
Net Cash Provided (Used) by Operating Activities	65,472	81,652
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers From Other Funds	12,551	10,863
Transfers To Other Funds	(5,885)	(4,098)
Net Cash Provided (Used) by Non-Capital Financing Activities	6,666	6,765
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES		
Principal Paid on Revenue Bonds	(16,671)	(16,119)
Interest Paid on Revenue Bonds	(53,121)	(53,673)
Federal Government - USDA - SEARCH Grant	-	30,000
Acquisition and Construction of Capital Assets	(6,266)	(30,000)
Net Cash Provided (Used) by Capital & Related Financing Activities	(76,058)	(69,792)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Income	2,874	2,418
Certificate of Deposit-Interest Reinvestment	(930)	(919)
Certificate of Deposit Redemption	-	-
Net Cash Provided (Used) by Investing Activities	1,944	1,499
Net Increase (Decrease) in Cash and Cash Equivalents	(1,976)	(20,124)
Cash and Cash Equivalents - Beginning of Year	190,439	170,315
Cash and Cash Equivalents - End of Year	$ 188,463	$ 190,439
RECONCILIATION OF CASH AND CASH EQUIVALENTS ON BALANCE SHEETS		
Cash and Cash Equivalents-Unrestricted	$ 184,828	$ 173,828
Cash and Cash Equivalents-Restricted	3,635	16,611
Total Cash and Cash Equivalents	$ 188,463	$ 190,439

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

	JUNE 30, 2016	JUNE 30, 2015
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Loss	$ (74,042)	$ (56,487)
Adjustments to Reconcile Operating Income To Net Cash Provided (Used) by Operating Activities:		
Depreciation Expense	148,788	146,969
Rounding	1	(1)
(Increase) Decrease in Accounts Receivable	(1,354)	(11,998)
Increase (Decrease) in Accounts Payable	(11,491)	2,394
Increase (Decrease) in Customer Deposits	3,570	775
Total Adjustments	139,514	138,139
Net Cash Provided (Used) By Operating Activities	$ 65,472	$ 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

CITY OF ARLINGTON, GEORGIA
SANITATION ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION

	JUNE 30, 2016	JUNE 30, 2015
ASSETS		
Current Assets:		
Accounts Receivable	$ 11,273	$ -
Total Current Assets	11,273	-
Non-current Assets:		
Total Non-current Assets	-	-
Total Assets	$ 11,273	$ -
LIABILTIES AND NET POSITION		
Current Liabilities:		
Accounts Payable	8,845	-
Total Current Liabilities	8,845	-
Long-Term Liabilities:		
Total Long-Term Liabilities	-	-
Total Liabilities	8,845	-
Net Position:		
Net Investment in Capital Assets	-	-
Restricted	-	-
Unrestricted	2,428	-
Total Net Position	2,428	-
Total Liabilities and Net Position	$ 2,428	$ -

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

	JUNE 30, 2016	JUNE 30, 2015
OPERATING REVENUES		
Sanitation Fees	$ 117,018	$ -
Total Operating Revenues	117,018	-
OPERATING EXPENSES		
Solid Waste Collection	96,495	-
Total Operating Expenses	96,495	-
Operating Income	20,523	-
NON-OPERATING REVENUES AND EXPENSES		
Total Non-Operating Revenues and Expenses	-	-
Net Income Before Contributions and Transfers	20,523	-
CONTRIBUTIONS		
Total Contributions	-	-
TRANSFERS		
Transfer In	-	-
Transfer Out	(18,095)	-
Net Transfers	(18,095)	-
Net Income (Loss)	2,428	-
Net Position - Beginning of Year	-	-
Net Position - End of Year	$ 2,428	$ -

CITY OF ARLINGTON, GEORGIA
SANITATION ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED

	JUNE 30, 2016	JUNE 30, 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received From Customers	$ 105,745	$ -
Cash Paid To Other Suppliers of Goods and Services	(87,650)	-
Net Cash Provided (Used) by Operating Activities	18,095	-
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers From Other Funds	-	-
Transfers To Other Funds	(18,095)	-
Net Cash Provided (Used) by Non-Capital Financing Activities	(18,095)	-
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES		
Net Cash Provided (Used) by Capital & Related Financing Activities	-	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Cash Provided (Used) by Investing Activities	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	-	-
Cash and Cash Equivalents - Beginning of Year	-	-
Cash and Cash Equivalents - End of Year	$ -	$ -
RECONCILIATION OF CASH AND CASH EQUIVALENTS ON BALANCE SHEETS		
Cash and Cash Equivalents-Unrestricted	$ -	$ -
Cash and Cash Equivalents-Restricted	-	-
Total Cash and Cash Equivalents	$ -	$ -

CITY OF ARLINGTON, GEORGIA
SANITATION ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED

	JUNE 30, 2016	JUNE 30, 2015
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income	$ 20,523	$ -
Adjustments to Reconcile Operating Income To Net Cash Provided (Used) by Operating Activities:		
(Increase) Decrease in Accounts Receivable	(11,273)	-
Increase (Decrease) in Accounts Payable	8,845	-
Total Adjustments	(2,428)	-
Net Cash Provided (Used) By Operating Activities	$ 18,095	$ -
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES	$ -	$ -

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, 2016

	Beginning Balance	Additions	Deductions	Ending Balance
ASSETS				
Cash and Cash Equivalents	$ 7,559	$ 60,504	$ (45,800)	$ 22,263
Total Assets	7,559	60,504	(45,800)	22,263
LIABILITIES				
Due to P.O.A.B.	24	1,948	(1,935)	37
Due to G.S.C.C.C.A	337	6,296	(6,444)	189
Due to Courthouse Solutions	45	3,285	(3,330)	-
Due to Victims Assistance Program	46	1,364	(1,410)	-
Due to Drug Abuse Program	162	888	(1,050)	-
Due to City of Arlington General Fund	-	29,795	(29,795)	-
Miscellaneous Fees and Costs	6,945	16,928	(1,836)	22,037
Total Liabilities	$ 7,559	$ 60,504	$ (45,800)	$ 22,263

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, 2016	JUNE 30, 2015
ASSETS		
Cash and Cash Equivalents	$ 4,731	$ 1,037
Total Assets	4,731	1,037
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts Payable	272	-
Total Liabilities	272	-
Fund Equity:		
Fund Balance Reserved for Downtown Development Projects	4,459	1,037
Total Fund Equity	4,459	1,037
Total Liabilities and Fund Equity	$ 4,731	$ 1,037

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, 2016	JUNE 30, 2015
REVENUES		
Miscellaneous:		
Rent	$ 6,373	$ 2,533
Breakfast with Santa	1,070	1,060
Valentine Party	3,270	6,795
Other Revenue	175	-
Interest	20	15
Total Miscellaneous	10,908	10,403
Total Revenues	10,908	10,403
EXPENDITURES		
City of Arlington	858	-
Dues	150	-
Utilities	1,344	3,308
Telephone	165	1,582
Supplies and Postage	297	-
Labor	-	-
Miscellaneous	449	502
May Day	471	-
Breakfast with Santa	584	540
Valentine Party	1,803	7,074
Capital Outlay:		
Chair	1,365	-
Total Expenditures	7,486	13,006
Excess (Deficiency) of Revenues Over Expenditures	3,422	(2,603)
Fund Balance - Beginning of Year	1,037	3,640
Fund Balance - End of Year	$ 4,459	$ 1,037

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, 2016

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	$ 111,292	$ -	$ 111,292	107.73%
Roads, Streets, and Bridges	50,000	50,000	42,722	-	42,722	85.44%
Recreational Purposes	30,000	30,000	7,996	9,245	17,241	57.47%
Totals	$ 183,310	$ 183,310	$ 162,010	$ 9,245	$ 171,255	93.42%

CITY OF ARLINGTON, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH
2012-2017 SPECIAL PURPOSE LOCAL OPTION SALES TAX
FOR THE YEAR ENDED JUNE 30, 2016

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	$ *	$ *	$ *	*
2009 Crown Victoria Police Car	*	*	-	2,000	2,000	*
Police Equipment	*	*	1,696	2,747	4,443	*
Computer Equipment	*	*	2,218	-	2,218	*
Depot Renovation	*	*	11,350	-	11,350	*
2012 Dodge Charger Police Car	*	*	35,894	-	35,894	*
Streets & Roads	*	*	15,164	38,365	53,529	*
Water & Sewerage	*	*	-	12,551	12,551	*
	$ 247,000	$ 247,000	$ 66,322	$ 55,663	$ 121,985	49.39%

CITY OF ARLINGTON, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH
2013-2019 SPECIAL PURPOSE LOCAL OPTION SALES TAX
FOR THE YEAR ENDED JUNE 30, 2016

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	$ 4,329	$ 4,707	3.26%
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	1,114	2,121	3.54%
Totals	$ 247,500	$ 247,500	$ 1,385	$ 5,443	$ 6,828	2.76%

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

To the City Council
City of Arlington, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Arlington, Georgia, as of and for the year ended June 30, 2016, 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 December 30, 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. [2016-001].

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. [2016-002].

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 [2016-003][2016-004].

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
December 30, 2016

CITY OF ARLINGTON, GEORGIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2016

FINANCIAL STATEMENT FINDINGS:

Internal Control Over Financial Reporting

2015-001 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.

2015-002 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

2015-003 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.

2015-004 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, 2016

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, 2016

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	$5,374	General Government	$3,162

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 deposited General Fund tax revenues (Energy Excise Tax) into the 2012 SPLOST. The City had already discovered the error by the time last year's audit report was completed and had made the correction. However, based on the audit report finding, the City made the correction a second time.

Context: The General Fund tax revenue amount was $2,688.

Cause: See Condition above.

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.