CITY OF ARLINGTON, GEORGIA
Arlington, Georgia

Financial Statements
and Supplemental Information

For the Fiscal Year Ended
June 30, 2017

And

Auditor's Report

CITY OF ARLINGTON, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

TABLE OF CONTENTS

Page

FINANCIAL SECTION:

Independent Auditor's Report 1-3

BASIC FINANCIAL STATEMENTS:

Government-Wide Financial Statements:
- Statement of Net Position 5
- Statement of Activities 6-7

Fund Financial Statements:
- Balance Sheet - Governmental Funds 8
- Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds 9
- Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 10
- Statement of Net Position - Proprietary Funds 11
- Statement of Revenues, Expenses, and Changes In Fund Net Position - Proprietary Funds 12
- Statement of Cash Flows - Proprietary Funds 13-14
- Statement of Fiduciary Assets and Liabilities 15

Notes to Financial Statements 16-33

REQUIRED SUPPLEMENTARY INFORMATION:

General Fund:
- Schedule of Revenues, Expenditures, and Changes In Fund Balances - Budget and Actual - General Fund 35
- Schedule of Revenues - Budget and Actual - General Fund 36
- Schedule of Expenditures - Budget and Actual - General Fund 37-39

Community Home Investment Program (CHIP) Special Revenue Fund:
- Schedule of Revenues, Expenditures, and Changes In Fund Balances - Budget and Actual - CHIP Special Revenue Fund 40

Notes to Required Supplementary Information 41

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES:

Major Governmental Funds:

General Fund:
- Comparative Balance Sheets 44
- Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance 45
- Comparative Statements of Revenues 46
- Comparative Statements of Expenditures 47-49

CITY OF ARLINGTON, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

TABLE OF CONTENTS

Page

Community Home Investment Program (CHIP) Special Revenue Fund:
Comparative Balance Sheets 50
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual 51
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 July 1, 2018 52-53
Community Home Investment Program (CHIP) Source and Application of Funds Schedule, CHIP Program No. 2014-903 54

Non-Major Governmental Funds:

Combining Balance Sheet 56-57
Combining Statement of Revenues, Expenses, and Changes in Fund Balance 58-59

2013 Arlington SPLOST Capital Projects Fund:
Comparative Balance Sheets 60
Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance 61

2012 Arlington SPLOST Capital Projects Fund:
Comparative Balance Sheets 62
Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance 63

2007 Arlington SPLOST Capital Projects Fund:
Comparative Balance Sheets 64
Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance 65

2015 Community Development Block Grant (CDBG)-Capital Projects Fund:
Comparative Balance Sheets 66
Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance 67
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 68-69
Community Development Block Grant (CDBG) Source and Application of Funds Schedule, CDBG Program No. 15rd-x-019-2-5821 70

CITY OF ARLINGTON, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

TABLE OF CONTENTS

Page

2016 Community Development Block Grant (CDBG) Capital Projects Fund:
Comparative Balance Sheets 71
Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance 72
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - (Project Cost Schedule) CDBG Program No. 16p-x-019-2-5829, For the Grant Period October 7, 2016 through October 7, 2018 73-74
Community Development Block Grant (CDBG) Source and Application of Funds Schedule, CDBG Program No. 16p-x-019-2-5829 75

Major Proprietary Funds:

Water and Sewerage Enterprise Fund:
Comparative Statements of Net Position 77-78
Comparative Statements of Revenues, Expenses, and Changes in Net Position 79
Comparative Statements of Cash Flows 80-81

Sanitation Enterprise Fund:
Comparative Statements of Net Position 82
Comparative Statements of Revenues, Expenses, and Changes in Net Position 83
Comparative Statements of Cash Flows 84-85

Agency Funds:

Arlington Recorder Court Agency Fund:
Statement of Changes in Assets and Liabilities 87

Component Units:

Arlington Downtown Development Authority:
Comparative Balance Sheets 90
Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance 91

COMPLIANCE SECTION:

STATE OF GEORGIA:

Schedule of Projects Constructed With 2007-2013 Special Purpose Local Option Sales Tax 93

Schedule of Projects Constructed With 2012-2017 Special Purpose Local Option Sales Tax 94

CITY OF ARLINGTON, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

TABLE OF CONTENTS

Page

Schedule of Projects Constructed With 2013-2019 Special Purpose Local Option Sales Tax 95

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on and Audit of Financial Statements Performed in Accordance With *Government Auditing Standards* 96-97

Summary Schedule of Prior Audit Findings 98

Schedule of Findings and Responses 99-101

BROWN & MCDANIEL CPA'S, LLC
1500 DAWSON ROAD
P. O. BOX 71705
ALBANY, GEORGIA 31708-1705
Office (229) 883-6262/(229) 432-1956
Fax (229) 432-1957

Richard H. Brown, CPA

W. D. McDaniel, CPA

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, 2017, 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, 2017, 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, 2016, 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, 2016 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, 2016 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 October 24, 2017, 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
October 24, 2017

BASIC FINANCIAL STATEMENTS

CITY OF ARLINGTON, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2017

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and Cash Equivalents	$ 400,279	$ 193,120	$ 593,399	$ 12,976
Investments	1,893	40,796	42,689	-
Receivables	43,520	51,436	94,956	-
Restricted Assets:				
Cash and Cash Equivalents	-	9,567	9,567	-
Investments	-	69,792	69,792	-
Deposits	-	200	200	-
Capital Assets - Not Being Depreciated	118,460	66,985	185,445	8,089
Capital Assets, Net of Accumulated Depreciation	734,206	5,084,410	5,818,616	-
Total Assets	1,298,358	5,516,306	6,814,664	21,065
LIABILITIES				
Accounts Payable	21,088	31,411	52,499	229
Accrued Liabilities	524	-	524	-
Customer Deposits Payable	-	46,289	46,289	-
Non-current Liabilities:				
Due Within One Year	-	18,300	18,300	-
Due In More Than One Year	-	1,201,547	1,201,547	-
Total Liabilities	21,612	1,297,547	1,319,159	229
NET POSITION				
Net Investment in Capital Assets	852,666	3,931,548	4,784,214	8,089
Restricted:				
Special Revenue Projects	14	-	14	12,747
Capital Projects	156,703	-	156,703	-
Debt Service	-	71,166	71,166	-
Unrestricted	267,363	216,045	483,408	-
Total Net Position	$1,276,746	$ 4,218,759	$ 5,495,505	$ 20,836

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

CITY OF ARLINGTON, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

Functions/Program	Expenses	Program Revenues: Charges For Services	Program Revenues: Grants and Contributions: Operating	Program Revenues: Grants and Contributions: Capital
Governmental Activities:				
General Government	$ 170,479	$ 19,665	$ -	$ -
Public Safety	284,309	17,907	3,900	-
Public Works	234,953	-	24,165	95,991
Culture and Recreation	39,526	15,245	-	-
Housing and Development	95,754	-	95,754	-
Total Governmental Activities	825,021	52,817	123,819	95,991
Business-Type Activities:				
Water and Sewerage	596,703	452,248	-	-
Sanitation	100,179	122,678	-	-
Total Business-Type Activities	696,882	574,926	-	-
Total Primary Government	$ 1,521,903	$ 627,743	$ 123,819	$ 95,991
Component Units	$ 4,929	$ 7,293	$ 5,888	$ -

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
  Reimbursement for Damaged Property
  Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

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

CITY OF ARLINGTON, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Units
$ (150,814)	$ -	$ (150,814)	$ -
(262,502)	-	(262,502)	-
(114,797)	-	(114,797)	-
(24,281)	-	(24,281)	-
-	-	-	-
(552,394)	-	(552,394)	-
-	(144,455)	(144,455)	
-	22,499	22,499	-
-	(121,956)	(121,956)	-
-	-	(674,350)	-
-	-	-	8,252
283,082	-	283,082	-
84,897	-	84,897	-
17,824	-	17,824	-
92,123	-	92,123	-
74,885	-	74,885	-
10,621	-	10,621	-
3,061	-	3,061	-
854	-	854	-
470	-	470	-
1,594	2,396	3,990	36
12,774	-	12,774	-
6,650	-	6,650	-
6,202	(6,202)	-	-
595,037	(3,806)	591,231	36
42,643	(125,762)	(83,119)	8,288
1,234,103	4,344,521	5,578,624	12,548
$ 1,276,746	$ 4,218,759	$ 5,495,505	$ 20,836

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

CITY OF ARLINGTON, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	Major Funds			
	General	2014 CHIP Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	$ 252,686	$ 14	$ 147,579	$ 400,279
Investment	1,893	-	-	1,893
Receivables	34,002	2,175	7,343	43,520
Due From Other Funds	16	-	7,156	7,172
Total Assets	288,597	2,189	162,078	452,864
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts Payable	18,022	2,175	891	21,088
Accrued Liabilities	524	-	-	524
Due to Other Funds	2,688	-	4,484	7,172
Total Liabilities	21,234	2,175	5,375	28,784
Deferred Inflows of Resources:				
Unavailable Revenue-Property Tax	2,608	-	-	2,608
Fund Balances:				
Restricted	-	14	156,703	156,717
Assigned	101,186	-	-	101,186
Unassigned	163,569	-	-	163,569
Total Fund Balances	264,755	14	156,703	421,472
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 288,597	$ 2,189	$ 162,078	
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				852,666
Deferred inflows of resources are not available to pay for current period expenditures and are deferred in the funds				2,608
Net Position of Governmental Activities				$ 1,276,746

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, 2017

	Major Funds			
	General	2014 CHIP Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	$ 565,209	$ -	$ -	$ 565,209
Licenses and Permits	19,665	-	-	19,665
Fines and Forfeitures	17,172	-	-	17,172
Charges for Services	3,652	-	-	3,652
Intergovernmental	24,165	95,754	95,036	214,955
Miscellaneous	37,246	-	955	38,201
Total Revenues	667,109	95,754	95,991	858,854
EXPENDITURES				
Current:				
General Government	150,479	-	-	150,479
Public Safety	249,877	-	-	249,877
Public Works	187,467	-	1,750	189,217
Culture and Recreation	28,382	-	-	28,382
Housing and Development	-	95,754	-	95,754
Capital Outlay	-	-	78,024	78,024
Total Expenditures	616,205	95,754	79,774	791,733
Excess (Deficiency) of Revenues Over Expenditures	50,904	-	16,217	67,121
OTHER FINANCING SOURCES (USES)				
Transfers In	16,900	-	-	16,900
Transfers Out	(7,435)	-	(3,263)	(10,698)
Total Other Financing Sources (Uses)	9,465	-	(3,263)	6,202
Net Change in Fund Balances	60,369	-	12,954	73,323
Fund Balances - Beg of Year	204,386	14	143,749	348,149
Fund Balances - End of Year	$ 264,755	$ 14	$ 156,703	$ 421,472

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, 2017

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"	$ 73,323
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	64,087
Depreciation Expense	(97,375)
	(33,288)
Revenues providing current financial resources reported in the governmental funds and not reported as revenues in the "Statement of Activities".	2,608
Change in Net Position of governmental activities reported in the "Statement of Activities"	$ 42,643

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

CITY OF ARLINGTON, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017

	Business-Type Activities Enterprise Funds		
	Water & Sewerage	Sanitation	Totals Current Year
ASSETS			
Current Assets:			
Cash and Cash Equivalents	$ 193,120	$ -	$ 193,120
Investments	40,796	-	40,796
Accounts Receivables	39,828	11,608	51,436
Restricted Assets:			
Cash and Cash Equivalents	9,567	-	9,567
Total Current Assets	283,311	11,608	294,919
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	5,084,410	-	5,084,410
Deposits	200	-	200
Total Non-current Assets	5,221,387	-	5,221,387
Total Assets	5,504,698	11,608	5,516,306
LIABILITIES			
Current Liabilities:			
Accounts Payable	23,033	8,378	31,411
Payable from Restricted Assets:			
Revenue Bond - 2009 Series	18,300	-	18,300
Customer Deposits	8,193	-	8,193
Customer Deposits	38,096	-	38,096
Total Current Liabilities	87,622	8,378	96,000
Long-Term Liabilities:			
Revenue Bond Payable - 2009 Series	1,201,547	-	1,201,547
Total Long-Term Liabilities	1,201,547	-	1,201,547
Total Liabilities	1,289,169	8,378	1,297,547
NET POSITION			
Net Investment in Capital Assets	3,931,548	-	3,931,548
Restricted-Debt Service	71,166	-	71,166
Unrestricted	212,815	3,230	216,045
Total Net Position	$ 4,215,529	$ 3,230	$ 4,218,759

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, 2017

	Business-Type Activities Enterprise Funds		
	Water & Sewerage	Sanitation	Totals Current Year
OPERATING REVENUES			
Water and Sewerage Charges	$ 431,297	$ -	$ 431,297
Sanitation Charges	-	122,678	122,678
Cut-On and Tap Fees	10,847	-	10,847
Penalties and Miscellaneous	10,104	-	10,104
Total Operating Revenues	452,248	122,678	574,926
OPERATING EXPENSES			
Administration and Operations	398,722	100,179	498,901
Depreciation	145,729	-	145,729
Total Operating Expenses	544,451	100,179	644,630
Operating Income (Loss)	(92,203)	22,499	(69,704)
NON-OPERATING REVENUES AND EXPENSES			
Interest Income	2,396	-	2,396
Interest Expense	(52,252)	-	(52,252)
Total Non-Operating Revenues and Expenses	(49,856)	-	(49,856)
Net Income (Loss) Before Contributions and Transfers	(142,059)	22,499	(119,560)
TRANSFERS			
Transfers In	15,495	-	15,495
Transfers Out	-	(21,697)	(21,697)
Net Transfers	15,495	(21,697)	(6,202)
Change in Net Position	(126,564)	802	(125,762)
Net Position - Beg of Year	4,342,093	2,428	4,344,521
Net Position - End of Year	$ 4,215,529	$ 3,230	$ 4,218,759

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, 2017

	Business-Type Activities Enterprise Funds		
	Water & Sewerage	Sanitation	Totals Current Year
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received From Customers	$ 454,983	$ 122,343	$ 577,326
Cash Paid To Employees for Services	(66,467)	-	(66,467)
Cash Paid To Suppliers	(321,458)	(100,646)	(422,104)
Net Cash Provided by Operating Activities	67,058	21,697	88,755
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers from Other Funds	12,252	-	12,252
Transfers to Other Funds	-	(21,697)	(21,697)
Net Cash (Used) by Non-Capital Financing Activities	12,252	(21,697)	(9,445)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Transfers from Other Funds	3,243	-	3,243
Principal Paid on Revenue Bonds	(17,540)	-	(17,540)
Interest Paid on Revenue Bonds	(52,252)	-	(52,252)
Acquisition and Construction of Capital Assets	-	-	-
Net Cash (Used) by Capital and Related Financing Activities	(66,549)	-	(66,549)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Income	2,396		2,396
Interest Reinvestment	(933)	-	(933)
Net Cash Provided by Investing Activities	1,463	-	1,463
Net Increase (Decrease) in Cash and Cash Equivalents	14,224	-	14,224
Cash and Cash Equivalents - Beg of Year	188,463	-	188,463
Cash and Cash Equivalents - End of Year	$ 202,687	$ -	$ 202,687
RECONCILIATION OF CASH AND CASH EQUIVALENTS ON STATEMENT OF NET ASSETS			
Cash and Cash Equivalents-Current	$ 193,120	$ -	$ 193,120
Cash and Cash Equivalents-Restricted	9,567	-	9,567
Total Cash and Cash Equivalents	$ 202,687	$ -	$ 202,687

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, 2017

	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)	$ (92,203)	$ 22,499	$ (69,704)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	145,729	-	145,729
Rounding	(1)	-	(1)
(Increase) Decrease in:			
Accounts Receivable	1,673	(335)	1,338
Increase (Decrease) in:			
Accounts Payable	10,799	(467)	10,332
Customer Deposits	1,061	-	1,061
Total Adjustments	159,261	(802)	158,459
Net Cash Provided (Used) by Operating Activities	$ 67,058	$ 21,697	$ 88,755
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, 2017

	Agency Funds
ASSETS	
Cash and Cash Equivalents	$ 15,085
Total Assets	15,085
LIABILITIES	
Due to Others	15,085
Total Liabilities	$ 15,085

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, 2017.

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 $1,547 to the RC for the year ended June 30, 2017. 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.

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

The City reports the following major proprietary funds:

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

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 Prepayments

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. Also, the governmental funds balance sheet will sometimes report deferred inflows of resources for revenues not available to pay current period expenditures. The City had $2,608 of unavailable property tax revenue recorded as a deferred inflow of resources at year end.

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 $155,703. 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.

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 following City departments in violation of O.C.G.A. 36-81-3:

General government	$ 14,259
Public Safety	3,319
Public Works	14,390
Culture and Recreation	1,371

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, 2017, the City's deposits had a carrying amount of $602,966 and a bank balance of $682,567. Of the bank balance, $261,030 was covered by federal depository insurance and $421,537 was secured by collateral held by the pledging bank's agent in the City's name.

Component Units

At June 30, 2017, the Arlington Downtown Development Authority's deposits had a carrying amount of $12,976 and a bank balance of $7,117. 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, 2017, the City's investments had a carrying amount of $112,481 and a bank balance of $112,481. Of the bank balance, $37,677 was covered by federal depository insurance and $74,804 was secured by collateral held by the pledging bank's agent in the City's name.

Component Units

At June 30, 2017, 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 13) 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	2014 CHIP	Water & Sewerage	Sanitation	Nonmajor and Other Funds	Total
Receivables:						
Taxes	$ 32,041	$ -	$ -	$ -	$ 7,343	$ 39,384
Inter-governmental	-	2,175	-	-	-	2,175
Accounts	229	-	39,828	11,608	-	51,665
Other	1,732	-	-	-	-	1,732
Totals	$ 34,002	$ 2,175	$ 39,828	$ 11,608	$ 7,343	$ 94,956

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, 2017 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, 2016	$ 73,631	$ 9,329	$ 860,727	$ 507,149	$ 715,251	$ 2,166,087
Increases	-	35,500	-	-	28,587	64,087
Decreases	-	-	-	-	-	-
Balance, June 30, 2017	73,631	44,829	860,727	507,149	743,838	2,230,174
Accumulated Depreciation:						
Balance, June 30, 2016	-	-	(480,193)	(281,045)	(518,895)	(1,280,133)
Increases	-	-	(21,281)	(25,357)	(50,737)	(97,375)
Decreases	-	-	-	-	-	-
Balance, June 30, 2017	-	-	(501,474)	(306,402)	(569,632)	(1,377,508)
Capital Assets, Net	$ 73,631	$ 44,829	$ 359,253	$ 200,747	$ 174,206	$ 852,666
Business-Type Activities						
Balance, June 30, 2016	$ 36,985	$ 30,000	$ -	$7,150,367	$ 75,596	$ 7,292,948
Increases	-	-	-	-	-	-
Decreases	-	-	-	-	-	-
Balance, June 30, 2017	36,985	30,000	-	7,150,367	75,596	7,292,948
Accumulated Depreciation:						
Balance, June 30, 2016	-	-	-	(1,926,422)	(69,402)	(1,995,824)
Increases	-	-	-	(143,812)	(1,917)	(145,729)
Decreases	-	-	-	-	-	-
Balance, June 30, 2017	-	-	-	(2,070,234)	(71,319)	(2,141,553)
Capital Assets, Net	$ 36,985	$ 30,000	$ -	$5,080,133	$ 4,277	$ 5,151,395
Total Capital Assets, Net	$ 110,616	$ 74,829	$ 359,253	$5,280,880	$ 178,483	$ 6,004,061
Component Units						
Balance, June 30, 2016	$ 8,089	$ -	$ -	$ -	$ -	$ 8,089
Increases	-	-	-	-	-	-
Decreases	-	-	-	-	-	-
Balance, June 30, 2017	8,089	-	-	-	-	8,089
Accumulated Depreciation:						
Balance, June 30, 2016	-	-	-	-	-	-
Increases	-	-	-	-	-	-
Decreases	-	-	-	-	-	-
Balance, June 30, 2017	-	-	-	-	-	-
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	$ 145,729
Public Safety	34,432		
Public Works	41,371		
Culture and Recreation	4,792		
Totals	$ 97,375		$ 145,729

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, 2016	Additions	Retirements	Balance June 30, 2017	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)	$ 1,237,387	$ -	$ (17,540)	$ 1,219,847	$ 18,300
Totals Business-Type Activities	$ 1,237,387	$ -	$ (17,540)	$ 1,219,847	$ 18,300
Total Long-Term Debt	$ 1,237,387	$ -	$ (17,540)	$ 1,219,847	$ 18,300

The annual requirements to amortize the preceding obligations as of June, 30, 2017, are as follows:

Year Ending	Governmental Activities			Business-Type Activities		
June 30,	Principal	Interest	Total	Principal	Interest	Total
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	-	-	-	21,678	48,114	69,792
2023-2027	-	-	-	123,180	225,780	348,960
2028-2032	-	-	-	152,195	196,765	348,960
2033-2037	-	-	-	188,309	160,651	348,960
2038-2042	-	-	-	232,825	116,135	348,960
2043-2047	-	-	-	287,866	61,094	348,960
2048-2050	-	-	-	135,840	6,217	142,057
Totals	$ -	$ -	$ -	$ 1,219,847	$1,015,970	$ 2,235,817

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, 2017 was $181,528.

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
2016 CDBG Capital Projects Fund	1,000
2007 SPLOST Capital Projects Fund	6,222
2012 SPLOST Capital Projects Fund	77,740
2013 SPLOST Capital Projects Fund	71,741
Water and Sewerage Enterprise Fund	71,166
Total Restricted Net Position/Fund Balances	$ 227,883

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

Recreation	$ 6,312
Fire Department	2,938
May Day Festival	3,397
May Day Scholarship	511
Grant Matching	88,028
Total Assigned Fund Balances	$ 101,186

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 To:				
Due From:	General Fund	2013 SPLOST Fund	2012 SPLOST Fund	2007 SPLOST Fund	Total Due To
General Fund	$ -	$ -	$ 2,688	$ -	$ 2,688
2016 CDBG Fund	3	-	-	-	3
2015 CDBG Fund	13	-	-	-	13
2007 SPLOST Fund	-	2,234	-	-	2,234
2012 SPLOST Fund	-	-	-	2,234	2,234
Total Due From	$ 16	$ 2,234	$ 2,688	$ 2,234	$ 7,172

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	2012 SPLOST Fund	Sanitation Fund	2015 CDBG Fund	Total Transfers In
Governmental Activities					
General Fund	$ -	$ -	$ 16,880	$ 20	$ 16,900
Total Governmental Activities	-	-	16,880	20	16,900
Business-Type Activities					
Water & Sewerage Fund	7,435	3,243	4,817	-	15,495
Total Business-Type Activities	7,435	3,243	4,817	-	15,495
Total Transfers Out	$ 7,435	$ 3,243	$ 21,697	$ 20	$ 32,395

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, 2017, the contributions of the employees and City amounted to $8,537 and $3,843 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, 2017.

B. CONTINGENCIES

On May 6, 2015, the City was approved for a USDA wastewater collection system improvement grant in the amount of $753,000 and loan in the amount of $269,000. The approval is subject to the availability of funds and is subject to the City meeting the loan closing requirements and the requirements set forth in the Letter of Conditions dated April 29, 2015.

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

C. GRANTS

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

NOTE 6 - SUBSEQUENT EVENTS

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

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ARLINGTON, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes	$ 511,000	$ 511,000	$ 565,209	$ 54,209
Licenses and Permits	17,200	17,200	19,665	2,465
Fines and Forfeitures	20,000	20,000	17,172	(2,828)
Charges for Services	4,500	4,500	3,652	(848)
Intergovernmental Revenue	-	-	24,165	24,165
Miscellaneous Revenue	15,000	15,000	37,246	22,246
Total Revenues	567,700	567,700	667,109	99,409
EXPENDITURES				
General Government	136,220	136,220	150,479	(14,259)
Public Safety	246,558	246,558	249,877	(3,319)
Public Works	173,077	173,077	187,467	(14,390)
Culture and Recreation	27,011	27,011	28,382	(1,371)
Total Expenditures	582,866	582,866	616,205	(33,339)
Excess (Deficiency) of Revenues Over Expenditures	(15,166)	(15,166)	50,904	66,070
OTHER FINANCING SOURCES (USES)				
Transfers In	15,166	15,166	16,900	1,734
Transfers Out	-	-	(7,435)	(7,435)
Net Other Financing Source (Uses)	15,166	15,166	9,465	(5,701)
Net Change in Fund Balance	-	-	60,369	60,369
Fund Balance - Beg of Year	204,386	204,386	204,386	-
Fund Balance - End of Year	$ 204,386	$ 204,386	$ 264,755	$ 60,369

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, 2017

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
TAXES				
Property Taxes	$ 236,000	$ 236,000	$ 280,474	$ 44,474
Local Option Sales Taxes	81,000	81,000	84,897	3,897
Alcoholic Beverage Taxes	17,500	17,500	17,824	324
Insurance Premiums Tax	82,000	82,000	92,123	10,123
Franchise Taxes	78,000	78,000	74,885	(3,115)
Excise Tax on Energy	12,000	12,000	10,621	(1,379)
Railroad Equipment Tax	2,000	2,000	3,061	1,061
Housing Authority- In Lieu of Taxes	2,000	2,000	854	(1,146)
Real Estate Transfer Tax	-	-	44	44
Intangible Taxes	500	500	426	(74)
Total Taxes	511,000	511,000	565,209	54,209
LICENSES AND PERMITS				
Business Licenses	17,000	17,000	13,165	(3,835)
Other Licenses and Permits	200	200	6,500	6,300
Total Licenses and Permits	17,200	17,200	19,665	2,465
FINES AND FORFEITURES				
Fines and Forfeitures	20,000	20,000	17,172	(2,828)
Total Fines and Forfeitures	20,000	20,000	17,172	(2,828)
CHARGES FOR SERVICES				
Recreation Charges	4,000	4,000	2,917	(1,083)
Police Services	500	500	735	235
Total Charges for Services	4,500	4,500	3,652	(848)
INTERGOVERNMENTAL REVENUE				
State Government	-	-	24,165	24,165
Other Local Governments	-	-	-	-
Total Intergovernmental Revenue	-	-	24,165	24,165
MICELLANEOUS REVENUE				
Interest Earnings	500	500	1,594	1,094
Penalties	1,000	1,000	4,831	3,831
Cemetery	500	500	-	(500)
Rents and Deposits	11,500	11,500	12,328	828
Donations	-	-	3,900	3,900
Reimbursement for Damaged Property	-	-	12,774	12,774
Miscellaneous	1,500	1,500	1,819	319
Total Miscellaneous Revenue	15,000	15,000	37,246	22,246
GRAND TOTAL REVENUES	$ 567,700	$ 567,700	$ 667,109	$ 99,409

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, 2017

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
GENRAL GOVERNMENT				
Salaries	$ 58,888	$ 58,888	$ 59,245	$ (357)
Council Fees	5,000	5,000	4,750	250
Mayors Fee	2,700	2,700	2,750	(50)
Mayor Pro-Tem Fee	1,400	1,400	1,475	(75)
Salaries-BH Manager	5,183	5,183	5,183	-
Election Labor & Cost	1,000	1,000	40	960
Insurance-Public Officials	1,375	1,375	1,394	(19)
Payroll Taxes	6,402	6,402	5,628	774
Employers Retirement	1,361	1,361	1,199	162
Management Maintenance	5,400	5,400	7,079	(1,679)
Business License Software	1,600	1,600	2,681	(1,081)
Property Tax Software	1,600	1,600	2,681	(1,081)
Workers Compensation Insurance	800	800	381	419
Audit Fees	6,500	6,500	7,330	(830)
Legal Fees	6,000	6,000	8,370	(2,370)
Building Maintenance	1,500	1,500	1,205	295
Insurance	1,925	1,925	2,253	(328)
Telephone	3,920	3,920	4,410	(490)
Advertisements	4,000	4,000	5,334	(1,334)
Dues	4,000	4,000	4,523	(523)
Clerks Training	2,500	2,500	3,894	(1,394)
Public Officials Training	1,000	1,000	2,177	(1,177)
Office Supplies	3,500	3,500	3,491	9
Electricity	3,000	3,000	2,340	660
New Equipment	1,000	1,000	-	1,000
Office Equipment	1,000	1,000	2,133	(1,133)
Emergency Fund	3,666	3,666	-	3,666
Miscellaneous	-	-	8,533	(8,533)
Total General Government	136,220	136,220	150,479	(14,259)
PUBLIC SAFETY				
Police Department:				
Salaries	128,077	128,077	140,016	(11,939)
Payroll Taxes	9,798	9,798	10,733	(935)
Employers Retirement	2,562	2,562	136	2,426
Workers Compensation Insurance	6,000	6,000	11,883	(5,883)
Uniforms	1,500	1,500	1,180	320
Recorder's Court	22,785	22,785	21,769	1,016
Computer Maintenance	1,000	1,000	410	590
Equipment Maintenance and Repair	1,500	1,500	556	944
Vehicle Maintenance and Repair	8,000	8,000	10,827	(2,827)
Insurance	3,410	3,410	3,371	39
Police Liability Insurance	2,989	2,989	2,989	-
Telephone	3,000	3,000	3,549	(549)
Training and Mileage	6,800	6,800	2,244	4,556
Supplies	$ 1,500	$ 1,500	$ 1,769	$ (269)

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, 2017

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
PUBLIC SAFETY (continued)				
Police Department (continued):				
Electricity	$ 2,800	$ 2,800	$ 2,827	$ (27)
Jail Expense	-	-	-	-
Gas and Oil	16,000	16,000	8,351	7,649
Breath Alcohol Tests	-	-	-	-
Witness Fees	200	200	-	200
Small Equipment	1,000	1,000	3,810	(2,810)
Emergency Fund	3,667	3,667	-	3,667
Drug Task Force	2,300	2,300	2,695	(395)
Capital Outlay:	-	-	-	-
Total Police Department	224,888	224,888	229,115	(4,227)
Fire Department:				
Salaries	2,400	2,400	2,450	(50)
Firemen's Retainer	3,000	3,000	2,475	525
Asst. Fire Chief Salary	900	900	975	(75)
Fireman on Call	-	-	-	-
Payroll Taxes	482	482	453	29
Management Maintenance	800	800	835	(35)
Building Maintenance	200	200	-	200
Equipment Maintenance	900	900	896	4
Vehicle Maintenance and Repair	800	800	1,396	(596)
Street Maintenance	500	500	-	500
Insurance	3,288	3,288	2,991	297
Training and Mileage	800	800	199	601
Supplies	500	500	486	14
Electricity	1,500	1,500	1,009	491
Uniforms	1,400	1,400	2,157	(757)
Fire Hydrant Testing	1,200	1,200	1,200	-
Small Equipment	3,000	3,000	3,240	(240)
Total Fire Department	21,670	21,670	20,762	908
Total Public Safety	246,558	246,558	249,877	(3,319)
PUBLIC WORKS				
Salaries	50,069	50,069	52,861	(2,792)
Payroll Taxes	3,830	3,830	4,052	(222)
Employers Retirement	1,001	1,001	470	531
Workers Compensation Insurance	8,000	8,000	4,618	3,382
Uniforms	1,600	1,600	1,803	(203)
Animal Control	500	500	100	400
Vehicle Maintenance	3,000	3,000	2,831	169
Building Maintenance	-	-	-	-
Equipment Maintenance and Repair	15,000	15,000	19,723	(4,723)
Street Maintenance	12,000	12,000	10,447	1,553
Insurance	3,210	3,210	3,293	(83)
Telephone	$ 700	$ 700	$ 808	$ (108)

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, 2017

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
PUBLIC WORKS (continued)				
Training and Mileage	$ 500	$ 500	$ 464	$ 36
Inmates	3,000	3,000	3,111	(111)
Supplies	6,000	6,000	7,018	(1,018)
Pesticides	10,000	10,000	13,228	(3,228)
Electricity	35,000	35,000	39,096	(4,096)
Gas, Oil, and Diesel	16,000	16,000	13,947	2,053
Paving	-	-	7,415	(7,415)
Mosquito Spraying	-	-	2,182	(2,182)
Emergency Fund	3,667	3,667	-	3,667
Total Public Works	173,077	173,077	187,467	(14,390)
CULTURE AND RECREATION				
Recreation Department:				
Maintenance and Repair	1,000	1,000	1,035	(35)
Insurance	1,390	1,390	1,365	25
Electricity	3,000	3,000	3,207	(207)
Miscellaneous	-	-	-	-
Total Recreation Department	5,390	5,390	5,607	(217)
Community and Senior Center:				
Maintenance and Repair	1,000	1,000	-	1,000
Insurance	6,150	6,150	5,986	164
Electricity	1,950	1,950	2,707	(757)
Total Community Center	9,100	9,100	8,693	407
Other:				
CHIP Grant Administration	5,000	5,000	5,000	-
Depot Insurance	596	596	585	11
May Day Committee	500	500	1,578	(1,078)
Downtown Development Authority	6,425	6,425	6,919	(494)
Other	-	-	-	-
Total Other	12,521	12,521	14,082	(1,561)
Total Culture and Recreation	27,011	27,011	28,382	(1,371)
GRAND TOTAL EXPENDITURES	$ 582,866	$ 582,866	$ 616,205	$ (33,339)

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

CITY OF ARLINGTON, GEORGIA
CHIP SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental Revenue	$ 306,000	$ 306,000	$ 95,754	$ (210,246)
Total Revenues	306,000	306,000	95,754	(210,246)
EXPENDITURES				
Housing and Development:				
Rehabilitation of Private Properties	300,000	300,000	89,754	210,246
Administration	6,000	6,000	6,000	-
Total Expenditures	306,000	306,000	95,754	210,246
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beg of Year	14	14	14	-
Fund Balance - End of Year	$ 14	$ 14	$ 14	$ -

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

CITY OF ARLINGTON, GEORGIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2017

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	$ 14,259
Public Safety	3,319
Public Works	14,390
Culture and Recreation	1,371

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

GENERAL FUND

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

SPECIAL REVENUE FUNDS

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

CITY OF ARLINGTON, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEETS

	JUNE 30, 2017	JUNE 30, 2016
ASSETS		
Cash and Cash Equivalents	$ 252,686	$ 198,876
Investments in Certificates of Deposit	1,893	1,882
Accounts Receivable	229	249
Property Taxes Receivable	11,824	696
Motor Vehicle Taxes Receivable	74	78
Mobile Home Taxes Receivable	12	-
Title Ad-valorem Tax Fees	2,210	2,528
Local Option Sales Taxes Receivable	14,199	13,763
Energy Excise Tax Receivable	1,456	2,122
Alcoholic Beverages Taxes Receivable	1,576	1,650
Franchise Taxes Receivable	690	807
Intangible Tax Receivable	-	43
Fines Receivable	1,732	819
Due from 2016 CDBG Fund	3	-
Due from 2015 CDBG Fund	13	-
Total Assets	$ 288,597	$ 223,513
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
Liabilities:		
Accounts Payable	18,022	15,658
Payroll Taxes and Withholdings Payable	524	781
Due to 2012 SPLOST Fund	2,688	2,688
Total Liabilities	21,234	19,127
Deferred Inflows of Resources:		
Unavailable Revenue-Property Tax	2,608	-
Total Deferred Inflows	2,608	-
Fund Balance:		
Fund Balance Assigned For:		
Recreation	6,312	7,910
Fire	2,938	3,076
Travel	-	234
May Day	3,397	3,975
May Day Scholarship	511	1,011
Payroll Deductions	-	169
Grant Matching	88,028	63,257
Fund Balance Unassigned	163,569	124,754
Total Fund Balance	264,755	204,386
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 288,597	$ 223,513

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

	JUNE 30,	
	2017	2016
REVENUES		
Taxes	$ 565,209	$ 516,502
Licenses and Permits	19,665	20,858
Fines & Forfeitures	17,172	29,795
Charges for Services	3,652	4,659
Intergovernmental	24,165	19,691
Miscellaneous	37,246	17,146
Total Revenues	667,109	608,651
EXPENDITURES		
General Government	150,479	153,852
Public Safety	249,877	214,241
Public Works	187,467	178,149
Culture & Recreation	28,382	17,702
Total Expenditures	616,205	563,944
Excess (Deficiency) of Revenues Over Expenditures	50,904	44,707
OTHER FINANCING SOURCES (USES)		
Proceeds on Sale of Equipment	-	36,219
Transfers In	16,900	23,980
Transfers Out	(7,435)	(36,239)
Total Other Financing Sources (Uses)	9,465	23,960
Net Change in Fund Balance	60,369	68,667
Fund Balance - Beginning of Year	204,386	135,719
Fund Balance - End of Year	$ 264,755	$ 204,386

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

	JUNE 30, 2017	JUNE 30, 2016
TAXES		
Property Taxes	$ 280,474	$ 237,214
Local Option Sales Taxes	84,897	81,753
Alcoholic Beverage Taxes	17,824	16,382
Insurance Premiums Tax	92,123	85,048
Franchise Tax	74,885	81,485
Excise Tax on Energy	10,621	11,077
Railroad Equipment Tax	3,061	2,110
Housing Authority - In Lieu of Taxes	854	1,183
Real Estate Transfer Tax	44	-
Intangible Taxes	426	250
Total Taxes	565,209	516,502
LICENSES AND PERMITS		
Business Licenses	13,165	12,358
Other Licenses and Permits	6,500	8,500
Total Licenses and Permits	19,665	20,858
FINES AND FORFEITURES		
Fines and Forfeitures	17,172	29,795
Total Fines and Forfeitures	17,172	29,795
CHARGES FOR SERVICES		
Recreation Charges	2,917	2,866
Police Services	735	1,793
Total Charges for Services	3,652	4,659
INTERGOVERNMENTAL REVENUE		
Federal Government	-	-
State Government	24,165	18,491
Other Local Governments	-	1,200
Total Intergovernmental Revenue	24,165	19,691
MISCELLANEOUS REVENUE		
Interest Earnings	1,594	1,250
Penalties	4,831	3,397
Rents and Deposits	12,328	10,458
Donations	3,900	-
Reimbursement for Damaged Property	12,774	-
Miscellaneous	1,819	2,041
Total Miscellaneous Revenue	37,246	17,146
GRAND TOTAL REVENUES	$ 667,109	$ 608,651

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

	JUNE 30, 2017	JUNE 30, 2016
GENERAL GOVERNMENT		
Salaries	$ 59,245	$ 65,572
Council Fees	4,750	4,983
Mayors Fee	2,750	2,625
Mayor Pro-Tem Fee	1,475	1,525
Election Labor	40	8,741
Salaries-BH Manager	5,183	4,543
Insurance-Public Officials	1,394	1,782
Payroll Taxes	5,628	6,718
Employers Retirement	1,199	1,320
Management Maintenance	7,079	7,146
Business License Software	2,681	1,884
Property Tax Software	2,681	1,884
Workers Compensation Insurance	381	619
Audit	7,330	6,815
Legal	8,370	10,060
Building Maintenance	1,205	1,381
Insurance	2,253	2,270
Telephone	4,410	4,110
Advertisements	5,334	4,274
Dues	4,523	3,456
Clerks Training	3,894	2,175
Public Officials Training	2,177	767
Office Supplies	3,491	3,727
Electricity	2,340	2,940
Miscellaneous	8,533	57
Office Equipment	2,133	2,478
Total General Government	150,479	153,852
PUBLIC SAFETY		
Police Department:		
Salaries	140,016	120,705
Payroll Taxes	10,733	9,234
Retirement	136	238
Uniforms	1,180	1,256
Recorder's Court	21,769	12,633
Workers Compensation Insurance	11,883	11,154
Computer Maintenance	410	115
Equipment Maintenance and Repair	556	1,473
Vehicle Maintenance and Repair	10,827	5,929
Insurance	3,371	4,257
Insurance - Police Liability	2,989	2,336
Telephone	3,549	3,444
Training and Mileage	2,244	4,419
Supplies	1,769	2,159
Jail Expense	-	1,328
Witness	-	120
Gas and Oil	8,351	8,589
Electricity	2,827	1,869
Small Equipment	3,810	2,716
Drug Task Force	$ 2,695	$ 2,118

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

	JUNE 30, 2017	JUNE 30, 2016
PUBLIC SAFETY (continued)		
Police Department (continued):		
Capital Outlay:	$ -	$ -
Total Police Department	229,115	196,092
Fire Department:		
Salaries	2,450	2,400
Fireman's Retainer	2,475	2,250
Asst. Fire Chief Salary	975	900
Payroll Taxes	453	425
Management Maintenance	835	919
Uniforms	2,157	1,400
Building Maintenance and Repair	-	52
Equipment Maintenance and Repair	896	-
Vehicle Maintenance and Repair	1,396	1,318
Street Maintenance	-	829
Insurance	2,991	3,289
Training and Mileage	199	580
Supplies	486	1,010
Electricity	1,009	1,475
Fire Hydrant Testing	1,200	1,200
Miscellaneous	-	-
Small Equipment	3,240	102
Capital Outlay:	-	-
Total Fire Department	20,762	18,149
Total Public Safety	249,877	214,241
PUBLIC WORKS		
Salaries	52,861	57,167
Payroll Taxes	4,052	4,373
Retirement	470	702
Workers Compensation Insurance	4,618	3,423
Uniforms	1,803	1,692
Animal Control	100	360
Building Maintenance	-	106
Equipment Maintenance and Repair	19,723	14,734
Vehicle Maintenance and Repair	2,831	6,631
Street Maintenance	10,447	12,821
Insurance	3,293	2,978
Telephone	808	639
Training and Mileage	464	31
Inmate Expense	3,111	3,388
Supplies	7,018	7,214
Pesticides	13,228	7,381
Electricity	39,096	37,854
Gas and Oil	13,947	14,372
Paving	7,415	-
Mosquito Spraying	$ 2,182	$ 2,283

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

	JUNE 30, 2017	JUNE 30, 2016
PUBLIC WORKS (continued)		
Capital Outlay:	$ -	$ -
Total Public Works	187,467	178,149
CULTURE AND RECREATION		
Recreation Department:		
Maintenance and Repair	1,035	1,151
Insurance	1,365	1,352
Electricity	3,207	3,539
Miscellaneous	-	7
Total Recreation Department	5,607	6,049
Community Center:		
Maintenance and Repair	-	642
Electricity	2,707	2,450
Insurance	5,986	5,685
Total Community Center	8,693	8,777
Other:		
Downtown Development	6,919	496
Miscellaneous	-	40
CHIP Grant	5,000	-
Depot Insurance	585	808
May Day Committee	1,578	1,032
Calhoun County Community Center	-	250
Calhoun County Library	-	250
Capital Outlay	-	-
Total Other	14,082	2,876
Total Culture and Recreation	28,382	17,702
GRAND TOTAL EXPENDITURES	$ 616,205	$ 563,944

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

	JUNE 30, 2017	JUNE 30, 2016
ASSETS		
Cash and Cash Equivalents	$ 14	$ 14
Intergovernmental Receivable:		
Federal Government-Passed Through GHFA	2,175	-
Total Assets	2,189	14
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	2,175	-
Total Liabilities	2,175	-
Fund Balance:		
Fund Balance Restricted for CHIP Projects	14	14
Total Fund Balance	14	14
Total Liabilities and Fund Balance	$ 2,189	$ 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, 2017
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016

	Totals			
	2017		Variance Over	2016
	Budget	Actual	(Under)	Actual
REVENUES				
Federal Government:				
Georgia Housing and Finance Authority- Community Home Investment Program	$ 306,000	$ 95,754	$ (210,246)	$ -
Total Revenues	306,000	95,754	(210,246)	-
EXPENDITURES				
Housing and Development:				
Rehabilitation of Private Properties	300,000	89,754	210,246	-
Administration	6,000	6,000	-	-
Total Expenditures	306,000	95,754	210,246	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of Year	14	14	-	-
Fund Balance - End of Year	$ 14	$ 14	$ -	$ -

CITY OF ARLINGTON, GEORGIA
COMMUNITY HOME INVESTMENT PROGRAM (CHIP)
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(PROJECT COST SCHEDULE)
CHIP PROGRAM NO. 2014-903
FOR THE GRANT PERIOD JUNE 1, 2014 THROUGH JULY 1, 2018

	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 JULY 1, 2018

Accumulative CHIP Expenditures To Date	Accumulative Expenditures To Date (Other Funds)	Grand Total Of Expenditures To Date	Questioned Costs
$ 95,754	-	95,754	
95,754	-	95,754	
89,754	-	89,754	$ -
6,000	-	6,000	-
95,754	-	95,754	$ -
-	-	-	
-	-	-	
$ -	$ -	$ -	

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, 2017

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	95,754
Less: CHIP Funds Expended By Recipient	95,754
Amount of Fiscal Year 2014 CHIP Funds Held By Recipient	$ -

CAPITAL PROJECTS FUNDS

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

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.

2016 Community Development Block Grant or CDBG - is used to account for a $500,000 Community Development Block Grant (CDBG) grant (Grant #:16p-x-019-2-5829) sewer facilities improvements.

CITY OF ARLINGTON, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

	2013 SPLOST	2012 SPLOST	Capital 2007 SPLOST
ASSETS			
Cash and Cash Equivalents	$ 67,994	$ 72,347	$ 6,222
Intergovernmental Receivables:			
SPLOST Receivable	2,404	4,939	-
Federal Government-Passed Through GA DCA	-	-	-
Due from 2007 SPLOST Fund	2,234	-	-
Due from 2012 SPLOST Fund	-	-	2,234
Due from General Fund	-	2,688	-
Total Assets	72,632	79,974	8,456
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts Payable	891	-	-
Due to General Fund	-	-	-
Due to 2013 SPLOST Fund	-	-	2,234
Due to 2007 SPLOST Fund	-	2,234	-
Total Liabilities	891	2,234	2,234
Fund Balance:			
Fund Balance Restricted For:			
SPLOST Projects	71,741	77,740	6,222
CDBG Projects	-	-	-
Total Fund Balance	71,741	77,740	6,222
Total Liabilities And Fund Balance	$ 72,632	$ 79,974	$ 8,456

CITY OF ARLINGTON, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

Projects		Total Nonmajor Governmental Funds
2015 CDBG	2016 CDBG	
$ 13	$ 1,003	$ 147,579
-	-	7,343
-	-	-
-	-	2,234
-	-	2,234
-	-	2,688
13	1,003	162,078
-	-	891
13	3	16
-	-	2,234
-	-	2,234
13	3	5,375
-	-	155,703
-	1,000	1,000
-	1,000	156,703
$ 13	$ 1,003	$ 162,078

CITY OF ARLINGTON, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	2013 SPLOST	2012 SPLOST	Capital 2007 SPLOST
REVENUES			
Intergovernmental	$ 28,624	$ 29,912	$ -
Miscellaneous	481	401	73
Total Revenues	29,105	30,313	73
EXPENDITURES			
Current:			
Public Works-Streets	-	1,750	-
Capital Outlay	32,952	3,220	6,352
Total Expenditures	32,952	4,970	6,352
Excess (Deficiency) of Revenues Over Expenditures	(3,847)	25,343	(6,279)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	(3,243)	-
Total Other Financing Sources (Uses)	-	(3,243)	-
Net Change in Fund Balance	(3,847)	22,100	(6,279)
Fund Balance - Beg of Year	75,588	55,640	12,501
Fund Balance - End of Year	$ 71,741	$ 77,740	$ 6,222

CITY OF ARLINGTON, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

Projects		Total Nonmajor Governmental Funds
2015 CDBG	2016 CDBG	
$ 31,500	$ 5,000	$ 95,036
-	-	955
31,500	5,000	95,991
-	-	1,750
31,500	4,000	78,024
31,500	4,000	79,774
-	1,000	16,217
-	-	-
(20)	-	(3,263)
(20)	-	(3,263)
(20)	1,000	12,954
20	-	143,749
$ -	$ 1,000	$ 156,703

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

	JUNE 30, 2017	JUNE 30, 2016
ASSETS		
Cash and Cash Equivalents	$ 67,994	$ 77,074
Special Purpose Local Option Sales Tax Receivable	2,404	2,183
Due from 2007 SPLSOT Fund	2,234	-
Total Assets	72,632	79,257
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	891	3,669
Total Liabilities	891	3,669
Fund Balance		
Fund Balance Restricted for SPLOST Projects	71,741	75,588
Total Fund Balance	71,741	75,588
Total Liabilities and Fund Balance	$ 72,632	$ 79,257

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, 2017	JUNE 30, 2016
REVENUES		
Calhoun County, Georgia:		
Special Purpose Local Option Sales Tax	$ 28,624	$ 26,557
Miscellaneous - Interest Earnings	481	431
Total Revenues	29,105	26,988
EXPENDITURES		
Capital Outlay:		
2016 Ford F-150	25,500	-
Police Equipment for F-150	3,087	-
Roots 33 Blower (Mosquito Fogger)	3,474	-
Pole Saw	891	
Blower	-	286
Weed Eater	-	267
Pump	-	561
Building Improvements	-	4,329
Total Expenditures	32,952	5,443
Excess (Deficiency) of Revenues Over Expenditures	(3,847)	21,545
OTHER FINANCING SOURCES AND USES		
Transfers In	-	-
Transfers Out	-	-
Total Other Financing Sources (Uses)	-	-
Net Change in Fund Balance	(3,847)	21,545
Fund Balance - Beginning of Year	75,588	54,043
Fund Balance - End of Year	$ 71,741	$ 75,588

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

	JUNE 30, 2017	JUNE 30, 2016
ASSETS		
Cash and Cash Equivalents	$ 72,347	$ 48,172
Special Purpose Local Option Sales Tax Receivable	4,939	4,780
Due from General Fund	2,688	2,688
Total Assets	79,974	55,640
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	-	-
Due to 2007 SPLOST Fund	2,234	-
Total Liabilities	2,234	-
Fund Balance		
Fund Balance Restricted for SPLOST Projects	77,740	55,640
Total Fund Balance	77,740	55,640
Total Liabilities and Fund Balance	$ 79,974	$ 55,640

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, 2017	JUNE 30, 2016
REVENUES		
Early County, Georgia:		
Special Purpose Local Option Sales Tax	$ 29,912	$ 31,079
Miscellaneous - Interest Earnings	401	320
Total Revenues	30,313	31,399
EXPENDITURES		
Current:		
Public Works-Streets	1,750	-
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
Computer Equipment-Centralized Collection Software	3,220	-
Total Expenditures	4,970	43,112
Excess (Deficiency) of Revenues Over Expenditures	25,343	(11,713)
OTHER FINANCING SOURCES AND USES		
Transfers In	-	36,219
Transfers Out	(3,243)	(12,551)
Total Other Financing Sources (Uses)	(3,243)	23,668
Net Change in Fund Balance	22,100	11,955
Fund Balance - Beginning of Year	55,640	43,685
Fund Balance - End of Year	$ 77,740	$ 55,640

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

	JUNE 30, 2017	JUNE 30, 2016
ASSETS		
Cash and Cash Equivalents	$ 6,222	$ 12,501
Due from 2012 SPLOST Fund	2,234	-
Total Assets	8,456	12,501
LIABILITIES AND FUND BALANCE		
Liabilities:		
Due to 2013 SPLOST Fund	2,234	-
Total Liabilities	2,234	-
Fund Balance		
Fund Balance Restricted for SPLOST Projects	6,222	12,501
Total Fund Balance	6,222	12,501
Total Liabilities and Fund Balance	$ 8,456	$ 12,501

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, 2017	JUNE 30, 2016
REVENUES		
Miscellaneous - Interest Earnings	$ 73	$ 96
Total Revenues	73	96
EXPENDITURES		
Capital Outlay:		
Picnic Talbes and Barbecue Grills	2,449	-
Playground Equipment	-	4,144
Gym Improvements	3,903	2,635
Ballfield Lights	-	2,079
Border Fence	-	387
Total Expenditures	6,352	9,245
Excess (Deficiency) of Revenues Over Expenditures	(6,279)	(9,149)
OTHER FINANCING SOURCES AND USES		
Transfers In	-	-
Transfers Out	-	-
Total Other Financing Sources (Uses)	-	-
Net Change in Fund Balance	(6,279)	(9,149)
Fund Balance - Beginning of Year	12,501	21,650
Fund Balance - End of Year	$ 6,222	$ 12,501

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

	JUNE 30, 2017	JUNE 30, 2016
ASSETS		
Cash and Cash Equivalents	$ 13	$ 20
Intergovernmental Receivable:		
Federal Government-Passed Thru Georgia DCA	-	5,000
Total Assets	13	5,020
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	-	5,000
Due to General Fund	13	-
Total Liabilities	13	5,000
Fund Balance:		
Fund Balance Restricted for CDGB Projects	-	20
Total Fund Balance	-	20
Total Liabilities and Fund Balance	$ 13	$ 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, 2017	JUNE 30, 2016
REVENUES		
Federal Government:		
Georgia Department of Community Affairs- Community Development Block Grant	31,500	5,000
Total Revenues	31,500	5,000
EXPENDITURES		
Capital Outlay:		
ED - Public Facilities and Improvements	-	-
Engineering - Commercial/Industrial Infrastructure Development	31,500	-
Administration	-	5,000
Total Expenditures	31,500	5,000
Excess (Deficiency) of Revenues Over Expenditures	-	-
OTHER FINANCING SOURCES AND USES		
Transfers In	-	20
Transfers Out	(20)	-
Total Other Financing Sources (Uses)	(20)	20
Net Change in Fund Balance	(20)	20
Fund Balance - Beginning of Year	20	-
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
$ 36,500	-	36,500	
36,500	-	36,500	
-	-	-	$ -
31,500	-	-	-
5,000	-	36,500	-
36,500	-	36,500	$ -
-	-	-	
-	20	20	
-	(20)	(20)	
-	-	-	
-	-	-	
-	-	-	
$ -	$ -	$ -	

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, 2017

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	36,500
Less: CDBG Funds Expended By Recipient	36,500
Amount of Fiscal Year 2015 CDBG Funds Held By Recipient	$ -

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

	JUNE 30, 2017	JUNE 30, 2016
ASSETS		
Cash and Cash Equivalents	$ 1,003	$ -
Total Assets	1,003	-
LIABILITIES AND FUND BALANCE		
Liabilities:		
Due to General Fund	3	-
Total Liabilities	3	-
Fund Balance:		
Fund Balance Restricted for CDGB Projects	1,000	-
Total Fund Balance	1,000	-
Total Liabilities and Fund Balance	$ 1,003	$ -

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

	JUNE 30, 2017	JUNE 30, 2016
REVENUES		
Federal Government:		
Georgia Department of Community Affairs- Community Development Block Grant	5,000	-
Total Revenues	5,000	-
EXPENDITURES		
Capital Outlay:		
Engineering - Water/Sewer Improvements	-	-
Sewer Facilities	-	-
Administration	4,000	-
Total Expenditures	4,000	-
Excess (Deficiency) of Revenues Over Expenditures	1,000	-
OTHER FINANCING SOURCES AND USES		
Transfers In	-	-
Transfers Out	-	-
Total Other Financing Sources (Uses)	-	-
Net Change in Fund Balance	1,000	-
Fund Balance - Beginning of Year	-	-
Fund Balance - End of Year	$ 1,000	$ -

CITY OF ARLINGTON, GEORGIA
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) - SEWER FACILITIES
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(PROJECT COST SCHEDULE)
CDBG PROGRAM NO. 16p-x-019-2-5829
FOR THE GRANT PERIOD OCTOBER 7, 2016 THROUGH OCTOBER 7, 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		
Contingencies - Unprogramed Funds	C-022-00	35,468
Engineering - Water/Sewer Improvements	T-03J-00	46,557
Sewer Facilities	P-03J-02	387,975
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) - SEWER FACILITIES
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(PROJECT COST SCHEDULE)
CDBG PROGRAM NO. 16p-x-019-2-5829
FOR THE GRANT PERIOD OCTOBER 7, 2016 THROUGH OCTOBER 7, 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	
-	-	-	$ -
-	-	-	-
-	-	-	-
4,000	-	4,000	-
4,000	-	4,000	$ -
1,000	-	1,000	
-	-	-	
-	-	-	
-	-	-	
1,000	-	1,000	
-	-	-	
$ 1,000	$ -	$ 1,000	

CITY OF ARLINGTON, GEORGIA
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) - SEWER FACILITIES
SOURCE AND APPLICATION OF FUNDS SCHEDULE
CDBG PROGRAM NO. 16p-x-019-2-5829
FOR THE CUMULATIVE PERIOD ENDED JUNE 30, 2017

Total Fiscal Year 2016 CDBG Funds Awarded Recipient	$ 500,000
Less: Deobligations	-
Adjusted Total Fiscal Year 2016 CDBG Funds Awarded Recipient	500,000
Total Amount Drawndown by Recipient From DCA	5,000
Less: CDBG Funds Expended By Recipient	4,000
Amount of Fiscal Year 2016 CDBG Funds Held By Recipient	$ 1,000

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, 2017	JUNE 30, 2016
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 193,120	$ 184,828
Investment in Certificate of Deposit	40,796	39,862
Accounts Receivable	39,828	41,501
Restricted Assets:		
Cash and Cash Equivalents	9,567	3,635
Total Current Assets	283,311	269,826
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	7,217,352
Machinery & Equipment	75,596	75,596
	7,292,948	7,292,948
Less Accumulated Depreciation	(2,141,553)	(1,995,824)
Net Capital Assets	5,151,395	5,297,124
Deposits	200	200
Total Non-current Assets	5,221,387	5,367,116
Total Assets	$ 5,504,698	$ 5,636,942

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

	JUNE 30, 2017	JUNE 30, 2016
LIABILTIES AND NET POSITION		
Current Liabilities:		
Accounts Payable	$ 23,033	$ 12,234
Payable from Restricted Assets:		
Revenue Bond - 2009 Series	18,300	17,540
Customer Deposits	8,193	-
Customer Deposits	38,096	45,228
Total Current Liabilities	87,622	75,002
Long-Term Liabilities:		
Revenue Bond - 2009 Series	1,201,547	1,219,847
Total Long-Term Liabilities	1,201,547	1,219,847
Total Liabilities	1,289,169	1,294,849
Net Position:		
Net Investment in Capital Assets	3,931,548	4,059,737
Restricted	71,166	73,427
Unrestricted	212,815	208,929
Total Net Position	4,215,529	4,342,093
Total Liabilities and Net Position	$ 5,504,698	$ 5,636,942

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, 2017	JUNE 30, 2016
OPERATING REVENUES		
Water & Sewerage Charges	$ 431,297	$ 430,361
Cut-on & Tap Fees	10,847	12,489
Penalties and Miscellaneous	10,104	9,046
Total Operating Revenues	452,248	451,896
OPERATING EXPENSES		
Salaries and Payroll Costs	80,852	75,674
Drinking Water Fees and Lab Tests	28,305	26,617
Maintenance and Repairs	43,601	34,291
Materials and Supplies	166,041	148,625
Electricity	56,184	67,546
Other Operating Expenses	23,739	24,397
Depreciation	145,729	148,788
Total Operating Expenses	544,451	525,938
Operating Loss	(92,203)	(74,042)
NON-OPERATING REVENUES AND EXPENSES		
Interest Income	2,396	2,874
Interest Expense	(52,252)	(53,121)
Total Non-Operating Revenues and Expenses	(49,856)	(50,247)
Net Income Before Contributions and Transfers	(142,059)	(124,289)
CONTRIBUTIONS	-	-
Total Contributions	-	-
TRANSFERS		
Transfer In	15,495	12,551
Transfer Out	-	(5,885)
Net Transfers	15,495	6,666
Net Income (Loss)	(126,564)	(117,623)
Net Position - Beginning of Year	4,342,093	4,459,716
Net Position - End of Year	$ 4,215,529	$ 4,342,093

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

	JUNE 30, 2017	JUNE 30, 2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received From Customers	$ 454,983	$ 454,112
Cash Paid to Employees for Services	(66,467)	(61,769)
Cash Paid To Other Suppliers of Goods and Services	(321,458)	(326,871)
Net Cash Provided (Used) by Operating Activities	67,058	65,472
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers From Other Funds	12,252	-
Transfers To Other Funds	-	(5,885)
Net Cash Provided (Used) by Non-Capital Financing Activities	12,252	(5,885)
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES		
Transfers From Other Funds	3,243	12,551
Principal Paid on Revenue Bonds	(17,540)	(16,671)
Interest Paid on Revenue Bonds	(52,252)	(53,121)
Acquisition and Construction of Capital Assets	-	(6,266)
Net Cash Provided (Used) by Capital & Related Financing Activities	(66,549)	(63,507)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Income	2,396	2,874
Certificate of Deposit-Interest Reinvestment	(933)	(930)
Net Cash Provided (Used) by Investing Activities	1,463	1,944
Net Increase (Decrease) in Cash and Cash Equivalents	14,224	(1,976)
Cash and Cash Equivalents - Beginning of Year	188,463	190,439
Cash and Cash Equivalents - End of Year	$ 202,687	$ 188,463
RECONCILIATION OF CASH AND CASH EQUIVALENTS ON BALANCE SHEETS		
Cash and Cash Equivalents-Unrestricted	$ 193,120	$ 184,828
Cash and Cash Equivalents-Restricted	9,567	3,635
Total Cash and Cash Equivalents	$ 202,687	$ 188,463

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

	JUNE 30, 2017	JUNE 30, 2016
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Loss	$ (92,203)	$ (74,042)
Adjustments to Reconcile Operating Income To Net Cash Provided (Used) by Operating Activities:		
Depreciation Expense	145,729	148,788
Rounding	(1)	1
(Increase) Decrease in Accounts Receivable	1,673	(1,354)
Increase (Decrease) in Accounts Payable	10,799	(11,491)
Increase (Decrease) in Customer Deposits	1,061	3,570
Total Adjustments	159,261	139,514
Net Cash Provided (Used) By Operating Activities	$ 67,058	$ 65,472
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES	$ -	$ -

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

	JUNE 30, 2017	JUNE 30, 2016
ASSETS		
Current Assets:		
Accounts Receivable	$ 11,608	$ 11,273
Total Current Assets	11,608	11,273
Non-current Assets:		
Total Non-current Assets	-	-
Total Assets	$ 11,608	$ 11,273
LIABILTIES AND NET POSITION		
Current Liabilities:		
Accounts Payable	8,378	8,845
Total Current Liabilities	8,378	8,845
Long-Term Liabilities:		
Total Long-Term Liabilities	-	-
Total Liabilities	8,378	8,845
Net Position:		
Net Investment in Capital Assets	-	-
Restricted	-	-
Unrestricted	3,230	2,428
Total Net Position	3,230	2,428
Total Liabilities and Net Position	$ 3,230	$ 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, 2017	JUNE 30, 2016
OPERATING REVENUES		
Sanitation Fees	$ 122,678	$ 117,018
Total Operating Revenues	122,678	117,018
OPERATING EXPENSES		
Solid Waste Collection	100,179	96,495
Total Operating Expenses	100,179	96,495
Operating Income	22,499	20,523
NON-OPERATING REVENUES AND EXPENSES		
Total Non-Operating Revenues and Expenses	-	-
Net Income Before Contributions and Transfers	22,499	20,523
CONTRIBUTIONS		
Total Contributions	-	-
TRANSFERS		
Transfer In	-	-
Transfer Out	(21,697)	(18,095)
Net Transfers	(21,697)	(18,095)
Net Income (Loss)	802	2,428
Net Position - Beginning of Year	2,428	-
Net Position - End of Year	$ 3,230	$ 2,428

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

	JUNE 30, 2017	JUNE 30, 2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received From Customers	$ 122,343	$ 105,745
Cash Paid To Other Suppliers of Goods and Services	(100,646)	(87,650)
Net Cash Provided (Used) by Operating Activities	21,697	18,095
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers From Other Funds	-	-
Transfers To Other Funds	(21,697)	(18,095)
Net Cash Provided (Used) by Non-Capital Financing Activities	(21,697)	(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, 2017	JUNE 30, 2016
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income	$ 22,499	$ 20,523
Adjustments to Reconcile Operating Income To Net Cash Provided (Used) by Operating Activities:		
(Increase) Decrease in Accounts Receivable	(335)	(11,273)
Increase (Decrease) in Accounts Payable	(467)	8,845
Total Adjustments	(802)	(2,428)
Net Cash Provided (Used) By Operating Activities	$ 21,697	$ 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, 2017

	Beginning Balance	Additions	Deductions	Ending Balance
ASSETS				
Cash and Cash Equivalents	$ 22,263	$ 26,434	$ (33,612)	$ 15,085
Total Assets	22,263	26,434	(33,612)	15,085
LIABILITIES				
Due to P.O.A.B.	37	1,154	(1,142)	49
Due to G.S.C.C.C.A	189	3,970	(3,778)	381
Due to Courtware Solutions	-	1,655	(1,634)	21
Due to Victims Assistance Program	-	671	(668)	3
Due to Drug Abuse Program	-	1,246	(1,246)	-
Due to City of Arlington General Fund	-	16,652	(16,652)	-
Miscellaneous Fees and Costs	22,037	1,086	(8,492)	14,631
Total Liabilities	$ 22,263	$ 26,434	$ (33,612)	$ 15,085

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, 2017	JUNE 30, 2016
ASSETS		
Cash and Cash Equivalents	$ 12,976	$ 4,731
Total Assets	12,976	4,731
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts Payable	229	272
Total Liabilities	229	272
Fund Equity:		
Fund Balance Reserved for Downtown Development Projects	12,747	4,459
Total Fund Equity	12,747	4,459
Total Liabilities and Fund Equity	$ 12,976	$ 4,731

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, 2017	JUNE 30, 2016
REVENUES		
Intergovernmental-City of Arlington	$ 5,888	$ -
Miscellaneous:		
Rent	4,252	6,373
Breakfast with Santa	925	1,070
Valentine Party	1,990	3,270
Other Revenue	126	175
Interest	36	20
Total Miscellaneous	7,329	10,908
Total Revenues	13,217	10,908
EXPENDITURES		
City of Arlington-Rent Commission	627	858
Dues	-	150
Utilities	1,601	1,344
Telephone	-	165
Supplies and Postage	87	297
Miscellaneous	488	449
May Day	479	471
Breakfast with Santa	419	584
Valentine Party	1,228	1,803
Capital Outlay:		
Chair	-	1,365
Total Expenditures	4,929	7,486
Excess (Deficiency) of Revenues Over Expenditures	8,288	3,422
Fund Balance - Beginning of Year	4,459	1,037
Fund Balance - End of Year	$ 12,747	$ 4,459

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, 2017

Project	Estimated		Expenditures			Estimated Percentage of Completion
	Original Cost	Current Cost	Prior Years	Current Year	Total	
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	17,241	6,352	23,593	78.64%
Totals	$ 183,310	$ 183,310	$ 171,255	$ 6,352	$ 177,607	96.89%

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

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	*	*	4,443	-	4,443	*
Computer Equipment	*	*	2,218	3,220	5,438	*
Depot Renovation	*	*	11,350	-	11,350	*
2012 Dodge Charger Police Car	*	*	35,894	-	35,894	*
Streets & Roads	*	*	53,529	1,750	55,279	*
Water & Sewerage	*	*	12,551	3,243	15,794	*
	$ 247,000	$ 247,000	$ 121,985	$ 8,213	$ 130,198	52.71%

CITY OF ARLINGTON, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH
2013-2019 SPECIAL PURPOSE LOCAL OPTION SALES TAX
FOR THE YEAR ENDED JUNE 30, 2017

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	$ 4,707	$ -	$ 4,707	3.26%
Voting Equipment	8,000	8,000	-	-	-	-%
Public Safety	35,000	35,000	-	28,587	28,587	81.68%
Public Works, Roads, Streets, Sidewalks, Water and Sewer Improvement	60,000	60,000	2,121	4,365	6,486	10.81%
Totals	$ 247,500	$ 247,500	$ 6,828	$ 32,952	$ 39,780	16.07%

BROWN & MCDANIEL CPA'S, LLC
1500 DAWSON ROAD
P. O. BOX 71705
ALBANY, GEORGIA 31708-1705
Office (229) 883-6262/(229) 432-1956
Fax (229) 432-1957

Richard H. Brown, CPA

W. D. McDaniel, CPA

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

To the City Council
City of Arlington, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Arlington, Georgia, as of and for the year ended June 30, 2017, 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 October 24, 2017.

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. [2017-001].

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. [2017-002].

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 [2017-003][2017-004].

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
October 24, 2017

CITY OF ARLINGTON, GEORGIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2017

FINANCIAL STATEMENT FINDINGS:

Internal Control Over Financial Reporting

2016-001 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.

2016-002 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

2016-003 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.

2016-004 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, 2017

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

2017-001 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, 2017

SIGNIFICANT DEFICIENCIES

2017-002 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

2017-003 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:

General Government	$ 14,259
Public Safety	3,319
Public Works	14,390
Culture and Recreation	$ 1,371

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.

2017-004 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. Additionally, proceeds of the 2013 Calhoun County SPLOST were inadvertently deposited to the 2007 Calhoun County SPLOST. When city officials attempted to correct the error, the proceeds were then inadvertently deposited to the 2012 Early County SPLOST.

Context: The General Fund tax revenue amount was $2,688 and the 2013 SPLOST revenue amount was $2,234.

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.