CITY OF ARLINGTON, GEORGIA
Arlington, Georgia

Financial Statements
and Supplemental Information

For the Fiscal Year Ended
June 30, 2018

And

Auditor's Report

CITY OF ARLINGTON, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Arlington, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental-activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Arlington, Georgia, as of and for the year ended June 30, 2018, 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, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 36-43 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, 2017, 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, 2017 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, 2017 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 May 9, 2019 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 & Ladson, LLC

Albany, Georgia
May 9, 2019

BASIC FINANCIAL STATEMENTS

CITY OF ARLINGTON, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2018

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and Cash Equivalents	$ 329,456	$ 171,132	$ 500,588	$ 5,002
Investments	1,905	41,757	43,662	-
Receivables	48,439	45,838	94,277	5,000
Restricted Assets:				
Cash and Cash Equivalents	-	15,735	15,735	-
Investments	-	69,792	69,792	-
Deposits	-	200	200	-
Capital Assets - Not Being Depreciated	387,275	66,985	454,260	8,089
Capital Assets, Net of Accumulated Depreciation	809,483	4,968,290	5,777,773	10,000
Total Assets	1,576,558	5,379,729	6,956,287	28,091
LIABILITIES				
Accounts Payable	23,027	17,601	40,628	570
Accrued Liabilities	5,310	-	5,310	-
Customer Deposits Payable	-	45,979	45,979	-
Non-current Liabilities:				
Due Within One Year	-	19,093	19,093	-
Due In More Than One Year	-	1,182,454	1,182,454	-
Total Liabilities	28,337	1,265,127	1,293,464	570
NET POSITION				
Net Investment in Capital Assets	1,196,758	3,833,728	5,030,486	18,089
Restricted:				
Special Revenue Projects	14	-	14	9,432
Capital Projects	128,142	-	128,142	-
Debt Service	-	70,774	70,774	-
Unrestricted	223,307	210,100	433,407	-
Total Net Position	$1,548,221	$ 4,114,602	$ 5,662,823	$ 27,521

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

CITY OF ARLINGTON, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Functions/Program	Expenses	Program Revenues: Charges For Services	Program Revenues: Grants and Contributions: Operating	Program Revenues: Grants and Contributions: Capital
Governmental Activities:				
General Government	$ 171,742	$ 19,342	$ -	$ -
Public Safety	290,159	19,931	100	-
Public Works	204,846	-	25,463	330,403
Culture and Recreation	28,174	14,897	-	-
Housing and Development	187,819	-	187,819	-
Total Governmental Activities	882,740	54,170	213,382	330,403
Business-Type Activities:				
Water and Sewerage	550,320	440,030	-	-
Sanitation	100,315	120,831	-	-
Total Business-Type Activities	650,635	560,861	-	-
Total Primary Government	$ 1,533,375	$ 615,031	$ 213,382	$ 330,403
Component Units	$ 5,416	$ 7,010	$ -	$ 5,000

General Revenues:
  Taxes:
    Property Taxes
    Local Option Sales Taxes
    Alcoholic Beverage Taxes
    Insurance Premiums Tax
    Franchise Taxes
    Excise Tax on Energy
    Railroad Equipment Tax
    Housing Authority - In Lieu of Taxes
    Intangible and Real Estate Transfer Taxes
  Interest Earnings
  Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

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

CITY OF ARLINGTON, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Units
$ (152,400)	$ -	$ (152,400)	$ -
(270,128)	-	(270,128)	-
151,020	-	151,020	-
(13,277)	-	(13,277)	-
-	-	-	-
(284,785)	-	(284,785)	-
-	(110,290)	(110,290)	
-	20,516	20,516	-
-	(89,774)	(89,774)	-
-	-	(374,559)	-
-	-	-	6,594
247,367	-	247,367	-
91,810	-	91,810	-
17,190	-	17,190	-
98,096	-	98,096	-
69,844	-	69,844	-
5,434	-	5,434	-
3,070	-	3,070	-
1,175	-	1,175	-
615	-	615	-
1,778	2,538	4,316	91
2,960	-	2,960	-
16,921	(16,921)	-	-
556,260	(14,383)	541,877	91
271,475	(104,157)	167,318	6,685
1,276,746	4,218,759	5,495,505	20,836
$ 1,548,221	$ 4,114,602	$ 5,662,823	$ 27,521

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

CITY OF ARLINGTON, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

	Major Funds				
	General	2014 CHIP Special Revenue Fund	2015 CDBG Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	$ 203,888	$ 14	$ 13	$ 125,541	$ 329,456
Investment	1,905	-	-	-	1,905
Receivables	33,407	-	6,257	8,775	48,439
Due From Other Funds	16	-	-	7,184	7,200
Total Assets	239,216	14	6,270	141,500	387,000
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts Payable	7,837	-	6,257	8,933	23,027
Accrued Liabilities	5,310	-	-	-	5,310
Due to Other Funds	2,762	-	13	4,425	7,200
Total Liabilities	15,909	-	6,270	13,358	35,537
Deferred Inflows of Resources:					
Unavailable Revenue:					
Property Tax	3,638	-	-	-	3,638
Fund Balances:					
Restricted	-	14	-	128,142	128,156
Assigned	46,459	-	-	-	46,459
Unassigned	173,210	-	-	-	173,210
Total Fund Balances	219,669	14	-	128,142	347,825
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 239,216	$ 14	$ 6,270	$ 141,500	

Amounts reported for governmental activities in the "Statement of Net Position" are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	1,196,758
Deferred inflows of resources are not available to pay for current period expenditures and are deferred in the funds	3,638
Net Position of Governmental Activities	$ 1,548,221

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, 2018

	Major Funds				
	General	2014 CHIP Special Revenue Fund	2015 CDBG Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	$ 533,571	$ -	$ -	$ -	$ 533,571
Licenses and Permits	18,842	-	-	-	18,842
Fines and Forfeitures	16,334	-	-	-	16,334
Charges for Services	7,098	-	-	-	7,098
Intergovernmental	25,463	187,819	229,356	100,227	542,865
Miscellaneous	16,734	-	-	820	17,554
Total Revenues	618,042	187,819	229,356	101,047	1,136,264
EXPENDITURES					
Current:					
General Government	154,962	-	-	-	154,962
Public Safety	263,353	-	-	-	263,353
Public Works	242,371	-	-	2,650	245,021
Culture and Recreation	19,363	-	-	-	19,363
Housing and Development	-	187,819	-	-	187,819
Capital Outlay	-	-	229,356	126,958	356,314
Total Expenditures	680,049	187,819	229,356	129,608	1,226,832
Excess (Deficiency) of Revenues Over Expenditures	(62,007)	-	-	(28,561)	(90,568)
OTHER FINANCING SOURCES (USES)					
Transfers In	16,921	-	-	-	16,921
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	16,921	-	-	-	16,921
Net Change in Fund Balances	(45,086)	-	-	(28,561)	(73,647)
Fund Balances - Beg of Year	264,755	14	-	156,703	421,472
End of Year	$ 219,669	$ 14	$ -	$ 128,142	$ 347,825

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, 2018

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"	$ (73,647)
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	429,174
Depreciation Expense	(85,082)
	344,092
Revenues providing current financial resources reported in the governmental funds and not reported as revenues in the "Statement of Activities".	1,030
Change in Net Position of governmental activities reported in the "Statement of Activities"	$ 271,475

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

CITY OF ARLINGTON, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2018

	Business-Type Activities Enterprise Funds		
	Water & Sewerage	Sanitation	Totals Current Year
ASSETS			
Current Assets:			
Cash and Cash Equivalents	$ 171,132	$ -	$ 171,132
Investments	41,757	-	41,757
Accounts Receivables	35,325	10,513	45,838
Restricted Assets:			
Cash and Cash Equivalents	15,735	-	15,735
Total Current Assets	263,949	10,513	274,462
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	4,968,290	-	4,968,290
Deposits	200	-	200
Total Non-current Assets	5,105,267	-	5,105,267
Total Assets	5,369,216	10,513	5,379,729
LIABILITIES			
Current Liabilities:			
Accounts Payable	9,215	8,386	17,601
Payable from Restricted Assets:			
Revenue Bond - 2009 Series	19,093	-	19,093
Customer Deposits	14,753	-	14,753
Customer Deposits	31,226	-	31,226
Total Current Liabilities	74,287	8,386	82,673
Long-Term Liabilities:			
Revenue Bond Payable - 2009 Series	1,182,454	-	1,182,454
Total Long-Term Liabilities	1,182,454	-	1,182,454
Total Liabilities	1,256,741	8,386	1,265,127
NET POSITION			
Net Investment in Capital Assets	3,833,728	-	3,833,728
Restricted-Debt Service	70,774	-	70,774
Unrestricted	207,973	2,127	210,100
Total Net Position	$ 4,112,475	$ 2,127	$ 4,114,602

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, 2018

	Business-Type Activities Enterprise Funds		
	Water & Sewerage	Sanitation	Totals Current Year
OPERATING REVENUES			
Water and Sewerage Charges	$ 419,618	$ -	$ 419,618
Sanitation Charges	-	120,831	120,831
Cut-On and Tap Fees	10,963	-	10,963
Penalties and Miscellaneous	9,449	-	9,449
Total Operating Revenues	440,030	120,831	560,861
OPERATING EXPENSES			
Administration and Operations	354,984	100,315	455,299
Depreciation	143,844	-	143,844
Total Operating Expenses	498,828	100,315	599,143
Operating Income (Loss)	(58,798)	20,516	(38,282)
NON-OPERATING REVENUES AND EXPENSES			
Interest Income	2,538	-	2,538
Interest Expense	(51,492)	-	(51,492)
Total Non-Operating Revenues and Expenses	(48,954)	-	(48,954)
Net Income (Loss) Before Contributions and Transfers	(107,752)	20,516	(87,236)
TRANSFERS			
Transfers In	12,524	-	12,524
Transfers Out	(7,826)	(21,619)	(29,445)
Net Transfers	4,698	(21,619)	(16,921)
Change in Net Position	(103,054)	(1,103)	(104,157)
Net Position - Beg of Year	4,215,529	3,230	4,218,759
Net Position - End of Year	$ 4,112,475	$ 2,127	$ 4,114,602

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, 2018

	Business-Type Activities Enterprise Funds		
	Water & Sewerage	Sanitation	Totals Current Year
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received From Customers	$ 444,223	$ 121,926	$ 566,149
Cash Paid To Employees for Services	(55,041)	-	(55,041)
Cash Paid To Suppliers	(313,761)	(100,307)	(414,068)
Net Cash Provided by Operating Activities	75,421	21,619	97,040
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers from Other Funds	12,524	-	12,524
Transfers to Other Funds	(7,826)	(21,619)	(29,445)
Net Cash (Used) by Non-Capital Financing Activities	4,698	(21,619)	(16,921)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Transfers from Other Funds	-	-	-
Principal Paid on Revenue Bonds	(18,300)	-	(18,300)
Interest Paid on Revenue Bonds	(51,492)	-	(51,492)
Acquisition and Construction of Capital Assets	(27,724)	-	(27,724)
Net Cash (Used) by Capital and Related Financing Activities	(97,516)	-	(97,516)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Income	2,538		2,538
Interest Reinvestment	(961)	-	(961)
Net Cash Provided by Investing Activities	1,577	-	1,577
Net Increase (Decrease) in Cash and Cash Equivalents	(15,820)	-	(15,820)
Cash and Cash Equivalents - Beg of Year	202,687	-	202,687
Cash and Cash Equivalents - End of Year	$ 186,867	$ -	$ 186,867
RECONCILIATION OF CASH AND CASH EQUIVALENTS ON STATEMENT OF NET ASSETS			
Cash and Cash Equivalents-Current	$ 171,132	$ -	$ 171,132
Cash and Cash Equivalents-Restricted	15,735	-	15,735
Total Cash and Cash Equivalents	$ 186,867	$ -	$ 186,867

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, 2018

	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)	$ (58,798)	$ 20,516	$ (38,282)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	143,844	-	143,844
Rounding	-	1	1
(Increase) Decrease in:			
Accounts Receivable	4,503	1,094	5,597
Increase (Decrease) in:			
Accounts Payable	(13,818)	8	(13,810)
Customer Deposits	(310)	-	(310)
Total Adjustments	134,219	1,103	135,322
Net Cash Provided (Used) by Operating Activities	$ 75,421	$ 21,619	$ 97,040
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, 2018

	Agency Funds
ASSETS	
Cash and Cash Equivalents	$ 15,215
Total Assets	15,215
LIABILITIES	
Due to Others	15,215
Total Liabilities	$ 15,215

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, 2018.

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 $1,518 to the RC for the year ended June 30, 2018. 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.

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.

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 $3,638 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 $127,142. 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.

4. 2018 Special Purpose Local Option Sales Tax

On November 8, 2016, 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 January 1, 2018. Under agreement dated July 28, 2016 with Early County, Georgia, the City is to receive an estimated $237,000 or 2.37% of the tax proceeds over the collection period, with the City receiving the first distribution in March, 2018. 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/or alterations of the street, roads and sidewalk projects, city building and/or facilities, public safety, waste water treatment facilities, recreational and parks, waste and water systems and management and/or acquisition of vehicles for law enforcement, emergency services, and/or city departments.

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:

Public Safety	$ 6,869
Public Works	62,011

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

No funds operated by the City have deficit 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, 2018, the City's deposits had a carrying amount of $516,323 and a bank balance of $548,103. Of the bank balance, $220,010 was covered by federal depository insurance and $328,093 was secured by collateral held by the pledging bank's agent in the City's name.

Component Units

At June 30, 2018, the Arlington Downtown Development Authority's deposits had a carrying amount of $5,002 and a bank balance of $5,542. 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, 2018, the City's investments had a carrying amount of $113,454 and a bank balance of $113,454. Of the bank balance, $43,787 was covered by federal depository insurance and $69,667 was secured by collateral held by the pledging bank's agent in the City's name.

Component Units

At June 30, 2018, 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	2015 CDBG	Water & Sewerage	Sanitation	Nonmajor and Other Funds	Total
Receivables:						
Taxes	$ 32,516	$ -	$ -	$ -	$ 8,775	$ 41,291
Inter-governmental	-	6,257	-	-	-	6,257
Accounts	-	-	35,325	10,513	-	45,838
Other	891	-	-	-	-	891
Totals	$ 33,407	$ 6,257	$ 35,325	$ 10,513	$ 8,775	$ 94,277

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, 2018 the Arlington Downtown Development Authority had an inter-governmental receivable of $5,000.

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, 2017	$ 73,631	$ 44,829	$ 860,727	$ 507,149	$ 743,838	$ 2,230,174
Increases	-	268,815	38,749	81,710	39,900	429,174
Decreases	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-
Balance, June 30, 2018	73,631	313,644	899,476	588,859	783,738	2,659,348
Accumulated Depreciation:						
Balance, June 30, 2017	-	-	(501,474)	(306,402)	(569,632)	(1,377,508)
Increases	-	-	(19,038)	(26,379)	(39,665)	(85,082)
Decreases	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-
Balance, June 30, 2018	-	-	(520,512)	(332,781)	(609,297)	(1,462,590)
Capital Assets, Net	$ 73,631	$ 313,644	$ 378,964	$ 256,078	$ 174,441	$ 1,196,758
Business-Type Activities						
Balance, June 30, 2017	$ 36,985	$ 30,000	$ -	$7,150,367	$ 75,596	$ 7,292,948
Increases	-	-	-	27,724	-	27,724
Decreases	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-
Balance, June 30, 2018	36,985	30,000	-	7,178,091	75,596	7,320,672
Accumulated Depreciation:						
Balance, June 30, 2017	-	-	-	(2,070,234)	(71,319)	(2,141,553)
Increases	-	-	-	(143,178)	(666)	(143,844)
Decreases	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-
Balance, June 30, 2018	-	-	-	(2,213,412)	(71,985)	(2,285,397)
Capital Assets, Net	$ 36,985	$ 30,000	$ -	$4,964,679	$ 3,611	$ 5,035,275
Total Capital Assets, Net	$ 110,616	$ 343,644	$ 378,964	$5,220,757	$ 178,052	$ 6,232,033

	Capital Assets, Not Depreciated		Capital Assets, Depreciated			
	Land	Construction In Progress	Buildings	Infrastructure and Improvements Other Than Buildings	Furniture, Machinery, and Equipment	Totals
			Component Units			
Balance, June 30, 2017	$ 8,089	$ -	$ -	$ -	$ -	$ 8,089
Increases	-	-	10,000	-	-	10,000
Decreases	-	-	-	-	-	-
Balance, June 30, 2018	8,089	-	10,000	-	-	18,089
Accumulated Depreciation:						
Balance, June 30, 2017	-	-	-	-	-	-
Increases	-	-	-	-	-	-
Decreases	-	-	-	-	-	-
Balance, June 30, 2018	-	-	-	-	-	-
Capital Assets, Net	$ 8,089	$ -	$ 10,000	$ -	$ -	$ 18,089

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

Governmental Activities		Business-Type Activities	
General Government	$ 16,780	Water and Sewerage	$ 143,844
Public Safety	24,218		
Public Works	41,535		
Culture and Recreation	2,549		
Totals	$ 85,082		$ 143,844

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, 2017	Additions	Retirements	Balance June 30, 2018	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)	$ 1,219,847	$ -	$ (18,300)	$ 1,201,547	$ 19,093
Totals Business-Type Activities	$ 1,219,847	$ -	$ (18,300)	$ 1,201,547	$ 19,093
Total Long-Term Debt	$ 1,219,847	$ -	$ (18,300)	$ 1,201,547	$ 19,093

The annual requirements to amortize the preceding obligations as of June 30, 2018, are as follows:

Year Ending	Governmental Activities			Business-Type Activities		
June 30,	Principal	Interest	Total	Principal	Interest	Total
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	-	-	-	22,618	47,174	69,792
2024-2028	-	-	-	128,404	220,556	348,960
2029-2033	-	-	-	158,906	190,054	348,960
2034-2038	-	-	-	196,471	152,489	348,960
2039-2043	-	-	-	242,916	106,044	348,960
2044-2048	-	-	-	300,331	48,629	348,960
2049-2050	-	-	-	70,569	1,696	72,265
Totals	$ -	$ -	$ -	$ 1,201,547	$ 964,478	$ 2,166,025

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, 2018 was $161,833.

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. For the fiscal year, the City maintained commercial insurance coverage for these risks 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.

For the upcoming fiscal year, but prior to year-end, the City has entered into an agreement with the Georgia Interlocal Risk Management Agency (GIRMA), whose purpose is to jointly exercise powers common to each participating public entity; to establish one or more group self-insurance funds; to establish and administer a risk management service; to prevent or lessen the incidence and severity of casualty and property losses occurring in the operation of the public entity; and to defend and protect, in accordance with their contract and related coverage descriptions, any member against liability or loss as stated in such documents.

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
2018 SPLOST Capital Projects Fund	13,424
2012 SPLOST Capital Projects Fund	46,928
2013 SPLOST Capital Projects Fund	66,790
Water and Sewerage Enterprise Fund	70,774
Total Restricted Net Position/Fund Balances	$ 198,930

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

Recreation	$ 5,212
Fire Department	2,326
May Day Festival	4,230
May Day Scholarship	521
Grant Matching	34,170
Total Assigned Fund Balances	$ 46,459

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:				
	General Fund	2013 SPLOST Fund	2012 SPLOST Fund	2018 SPLOST Fund	Total Due To
Due From:					
General Fund	$ -	$ 16	$ 2,730	$ 16	$ 2,762
2016 CDBG Fund	3	-	-	-	3
2015 CDBG Fund	13	-	-	-	13
2012 SPLOST Fund	-	2,234	-	2,188	4,422
Total Due From	$ 16	$ 2,250	$ 2,730	$ 2,204	$ 7,200

2. Transfers and Payments

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

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

	Transfers Out				
	General Fund	2012 SPLOST Fund	Sanitation Fund	Water & Sewer Fund	Total Transfers In
Transfers In:					
Governmental Activities					
General Fund	$ -	$ -	$ 9,095	$ 7,826	$ 16,921
Total Governmental Activities	-	-	9,095	7,826	16,921
Business-Type Activities					
Water & Sewerage Fund	-	-	12,524	-	12,524
Total Business-Type Activities	-	-	12,524	-	12,524
Total Transfers Out	$ -	$ -	$ 21,619	$ 7,826	$ 29,445

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, 2018, the contributions of the employees and City amounted to $9,202 and $3,987 respectively. No plan forfeitures are included in the City's pension expense for the year and the City had a liability for contributions at year end in the amount of $4,367.

NOTE 5 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

A. LITIGATION

No litigation is pending (or has been threatened) against the City at June 30, 2018.

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, 2018

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes	$ 539,200	$ 539,200	$ 533,571	$ (5,629)
Licenses and Permits	20,200	20,200	18,842	(1,358)
Fines and Forfeitures	15,000	15,000	16,334	1,334
Charges for Services	3,500	3,500	7,098	3,598
Intergovernmental Revenue	-	-	25,463	25,463
Miscellaneous Revenue	5,900	5,900	16,734	10,834
Total Revenues	583,800	583,800	618,042	34,242
EXPENDITURES				
General Government	155,508	155,508	154,962	546
Public Safety	256,484	256,484	263,353	(6,869)
Public Works	180,360	180,360	242,371	(62,011)
Culture and Recreation	25,507	25,507	19,363	6,144
Total Expenditures	617,859	617,859	680,049	(62,190)
Excess (Deficiency) of Revenues Over Expenditures	(34,059)	(34,059)	(62,007)	(27,948)
OTHER FINANCING SOURCES (USES)				
Appropriated Fund Balance	14,559	14,559	-	(14,559)
Transfers In	19,500	19,500	16,921	(2,579)
Transfers Out	-	-	-	-
Net Other Financing Source (Uses)	34,059	34,059	16,921	(17,138)
Net Change in Fund Balance	-	-	(45,086)	(45,086)
Fund Balance - Beg of Year	264,755	264,755	264,755	-
Fund Balance - End of Year	$ 264,755	$ 264,755	$ 219,669	$ (45,086)

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, 2018

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
TAXES				
Property Taxes	$ 264,000	$ 264,000	$ 246,337	$ (17,663)
Local Option Sales Taxes	81,000	81,000	91,810	10,810
Alcoholic Beverage Taxes	17,000	17,000	17,190	190
Insurance Premiums Tax	90,000	90,000	98,096	8,096
Franchise Taxes	76,000	76,000	69,844	(6,156)
Excise Tax on Energy	10,000	10,000	5,434	(4,566)
Railroad Equipment Tax	500	500	3,070	2,570
Housing Authority- In Lieu of Taxes	200	200	1,175	975
Real Estate Transfer Tax	-	-	114	114
Intangible Taxes	500	500	501	1
Total Taxes	539,200	539,200	533,571	(5,629)
LICENSES AND PERMITS				
Business Licenses	20,000	20,000	12,842	(7,158)
Other Licenses and Permits	200	200	6,000	5,800
Total Licenses and Permits	20,200	20,200	18,842	(1,358)
FINES AND FORFEITURES				
Fines and Forfeitures	15,000	15,000	16,334	1,334
Total Fines and Forfeitures	15,000	15,000	16,334	1,334
CHARGES FOR SERVICES				
Recreation Charges	2,000	2,000	3,001	1,001
Cemetery Lots	500	500	500	-
Police Services	1,000	1,000	3,597	2,597
Total Charges for Services	3,500	3,500	7,098	3,598
INTERGOVERNMENTAL REVENUE				
State Government	-	-	25,463	25,463
Other Local Governments	-	-	-	-
Total Intergovernmental Revenue	-	-	25,463	25,463
MICELLANEOUS REVENUE				
Interest Earnings	800	800	1,778	978
Penalties	2,000	2,000	1,578	(422)
Rents and Deposits	2,500	2,500	11,896	9,396
Donations	-	-	100	100
Miscellaneous	600	600	1,382	782
Total Miscellaneous Revenue	5,900	5,900	16,734	10,834
GRAND TOTAL REVENUES	$ 583,800	$ 583,800	$ 618,042	$ 34,242

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, 2018

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
GENRAL GOVERNMENT				
Salaries	$ 57,488	$ 57,488	$ 58,741	$ (1,253)
Council Fees	5,000	5,000	6,150	(1,150)
Mayors Fee	2,700	2,700	1,775	925
Mayor Pro-Tem Fee	1,400	1,400	1,350	50
Salaries-BH Manager	10,608	10,608	2,669	7,939
Election Labor & Supplies	5,340	5,340	6,224	(884)
Insurance-Public Officials	1,424	1,424	1,786	(362)
Payroll Taxes	6,100	6,100	5,421	679
Employers Retirement	1,100	1,100	1,158	(58)
Management Maintenance	7,500	7,500	6,994	506
Workers Compensation Insurance	1,000	1,000	358	642
Audit Fees	7,330	7,330	7,650	(320)
Legal Fees	6,000	6,000	12,808	(6,808)
Building Maintenance	1,500	1,500	995	505
Insurance	2,268	2,268	1,814	454
Telephone	3,740	3,740	3,879	(139)
Advertisements	4,000	4,000	10,634	(6,634)
Dues	4,000	4,000	3,141	859
Clerks Training	3,000	3,000	2,131	869
Public Officials Training	2,500	2,500	3,742	(1,242)
Office Supplies	8,060	8,060	4,809	3,251
Electricity	2,500	2,500	2,129	371
New Equipment	7,450	7,450	-	7,450
Office Equipment	2,000	2,000	8,016	(6,016)
Emergency Fund	1,500	1,500	-	1,500
Miscellaneous	-	-	588	(588)
Total General Government	155,508	155,508	154,962	546
PUBLIC SAFETY				
Police Department:				
Salaries	143,606	143,606	159,942	(16,336)
Payroll Taxes	9,885	9,885	12,255	(2,370)
Employers Retirement	2,600	2,600	662	1,938
Workers Compensation Insurance	7,000	7,000	12,542	(5,542)
Uniforms	1,500	1,500	1,455	45
Recorder's Court	21,900	21,900	23,091	(1,191)
Computer Maintenance	1,000	1,000	1,450	(450)
Equipment Maintenance and Repair	1,500	1,500	-	1,500
Vehicle Maintenance and Repair	8,000	8,000	5,540	2,460
Insurance	2,989	2,989	2,778	211
Police Liability Insurance	3,316	3,316	1,791	1,525
Telephone	4,000	4,000	3,608	392
Training and Mileage	4,500	4,500	1,800	2,700
Gas and Oil	12,000	12,000	10,591	1,409
Witness Fees	200	200	-	200
Supplies	$ 1,500	$ 1,500	$ 1,500	$ -

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, 2018

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
PUBLIC SAFETY (continued)				
Police Department (continued):				
Electricity	$ 2,800	$ 2,800	$ 2,077	$ 723
Small Equipment	1,000	1,000	1,134	(134)
Emergency Fund	2,000	2,000	-	2,000
Drug Task Force	2,300	2,300	578	1,722
Capital Outlay:	-	-	-	-
Total Police Department	233,596	233,596	242,794	(9,198)
Fire Department:				
Salaries	2,400	2,400	2,450	(50)
Firemen's Retainer	3,000	3,000	2,100	900
Asst. Fire Chief Salary	900	900	950	(50)
Payroll Taxes	500	500	423	77
Management Maintenance	900	900	891	9
Building Maintenance	200	200	570	(370)
Equipment Maintenance	900	900	526	374
Vehicle Maintenance and Repair	1,200	1,200	1,200	-
Insurance	5,288	5,288	3,455	1,833
Training and Mileage	800	800	650	150
Supplies	500	500	579	(79)
Electricity	1,500	1,500	1,235	265
Uniforms	1,800	1,800	1,800	-
Fire Hydrant Testing	1,200	1,200	1,200	-
Miscellaneous	-	-	730	(730)
Small Equipment	1,800	1,800	1,800	-
Total Fire Department	22,888	22,888	20,559	2,329
Total Public Safety	256,484	256,484	263,353	(6,869)
PUBLIC WORKS				
Salaries	52,410	52,410	49,867	2,543
Payroll Taxes	3,830	3,830	3,823	7
Employers Retirement	1,000	1,000	944	56
Workers Compensation Insurance	8,500	8,500	4,148	4,352
Uniforms	1,800	1,800	1,246	554
Animal Control	1,000	1,000	-	1,000
Vehicle Maintenance	4,000	4,000	4,882	(882)
Equipment Maintenance and Repair	15,000	15,000	14,233	767
Street Maintenance	12,000	12,000	8,955	3,045
Insurance	3,420	3,420	2,820	600
Inmates	3,000	3,000	2,443	557
Supplies	6,000	6,000	7,609	(1,609)
Pesticides and Herbicides	14,000	14,000	7,375	6,625
Electricity	35,000	35,000	39,253	(4,253)
Gas, Oil, and Diesel	16,000	16,000	14,504	1,496
Telephone	$ 900	$ 900	$ 896	$ 4

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, 2018

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
PUBLIC WORKS (continued)				
Training and Mileage	$ 500	$ 500	$ 313	$ 187
Paving	-	-	79,060	(79,060)
Mosquito Spraying	-	-	-	-
Emergency Fund	2,000	2,000	-	2,000
Total Public Works	180,360	180,360	242,371	(62,011)
CULTURE AND RECREATION				
Recreation Department:				
Maintenance and Repair	1,250	1,250	309	941
Insurance	2,500	2,500	2,000	500
Electricity	3,000	3,000	3,803	(803)
Miscellaneous	-	-	-	-
Total Recreation Department	6,750	6,750	6,112	638
Community and Senior Center:				
Maintenance and Repair	1,000	1,000	-	1,000
Insurance	5,738	5,738	5,242	496
Electricity	2,500	2,500	1,573	(927)
Total Community Center	9,238	9,238	6,815	2,423
Other:				
CHIP Grant Administration	5,000	5,000	4,500	500
Calhoun County Library	1,000	1,000	1,000	-
Calhoun County Community Center	250	250	-	250
Depot Insurance	569	569	455	114
May Day Committee	1,000	1,000	166	834
Downtown Development Authority	1,000	1,000	315	685
Other	700	700	-	700
Total Other	9,519	9,519	6,436	3,083
Total Culture and Recreation	25,507	25,507	19,363	6,144
GRAND TOTAL EXPENDITURES	$ 617,859	$ 617,859	$ 680,049	$ (62,190)

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, 2018

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental Revenue	$ 210,246	$ 210,246	$ 187,819	$ (22,427)
Total Revenues	210,246	210,246	187,819	(22,427)
EXPENDITURES				
Housing and Development:				
Rehabilitation of Private Properties	210,246	210,246	187,819	22,427
Administration	-	-	-	-
Total Expenditures	210,246	210,246	187,819	22,427
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, 2018

A. BUDGETARY INFORMATION

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

B. EXPENDITURES OVER APPROPRIATIONS

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

Public Safety	$ 6,869
Public Works	62,011

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF ARLINGTON, GEORGIA
MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

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.

CAPITAL PROJECTS FUNDS

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.

CITY OF ARLINGTON, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEETS

	JUNE 30, 2018	JUNE 30, 2017
ASSETS		
Cash and Cash Equivalents	$ 203,888	$ 252,686
Investments in Certificates of Deposit	1,905	1,893
Accounts Receivable	-	229
Property Taxes Receivable	6,982	11,824
Motor Vehicle Taxes Receivable	138	74
Mobile Home Taxes Receivable	190	12
Title Ad-valorem Tax Fees	2,614	2,210
Local Option Sales Taxes Receivable	16,094	14,199
Energy Excise Tax Receivable	1,503	1,456
Alcoholic Beverages Taxes Receivable	1,341	1,576
Franchise Taxes Receivable	492	690
Intangible Tax Receivable	92	-
Railroad Equipment Tax	3,070	-
Fines Receivable	891	1,732
Due from 2016 CDBG Fund	3	3
Due from 2015 CDBG Fund	13	13
Total Assets	$ 239,216	$ 288,597
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
Liabilities:		
Accounts Payable	7,837	18,022
Payroll Taxes and Withholdings Payable	5,310	524
Due to 2018 SPLOST Fund	16	-
Due to 2013 SPLOST Fund	16	-
Due to 2012 SPLOST Fund	2,730	2,688
Total Liabilities	15,909	21,234
Deferred Inflows of Resources:		
Unavailable Revenue-Property Tax	3,638	2,608
Total Deferred Inflows	3,638	2,608
Fund Balance:		
Fund Balance Assigned For:		
Recreation	5,212	6,312
Fire	2,326	2,938
May Day	4,230	3,397
May Day Scholarship	521	511
Grant Matching	34,170	88,028
Fund Balance Unassigned	173,210	163,569
Total Fund Balance	219,669	264,755
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 239,216	$ 288,597

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

	JUNE 30, 2018	JUNE 30, 2017
REVENUES		
Taxes	$ 533,571	$ 565,209
Licenses and Permits	18,842	19,665
Fines & Forfeitures	16,334	17,172
Charges for Services	7,098	3,652
Intergovernmental	25,463	24,165
Miscellaneous	16,734	37,246
Total Revenues	618,042	667,109
EXPENDITURES		
General Government	154,962	150,479
Public Safety	263,353	249,877
Public Works	242,371	187,467
Culture & Recreation	19,363	28,382
Total Expenditures	680,049	616,205
Excess (Deficiency) of Revenues Over Expenditures	(62,007)	50,904
OTHER FINANCING SOURCES (USES)		
Proceeds on Sale of Equipment	-	-
Transfers In	16,921	16,900
Transfers Out	-	(7,435)
Total Other Financing Sources (Uses)	16,921	9,465
Net Change in Fund Balance	(45,086)	60,369
Fund Balance - Beginning of Year	264,755	204,386
Fund Balance - End of Year	$ 219,669	$ 264,755

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

	JUNE 30,	
	2018	2017
TAXES		
Property Taxes	$ 246,337	$ 280,474
Local Option Sales Taxes	91,810	84,897
Alcoholic Beverage Taxes	17,190	17,824
Insurance Premiums Tax	98,096	92,123
Franchise Tax	69,844	74,885
Excise Tax on Energy	5,434	10,621
Railroad Equipment Tax	3,070	3,061
Housing Authority - In Lieu of Taxes	1,175	854
Real Estate Transfer Tax	114	44
Intangible Taxes	501	426
Total Taxes	533,571	565,209
LICENSES AND PERMITS		
Business Licenses	12,842	13,165
Other Licenses and Permits	6,000	6,500
Total Licenses and Permits	18,842	19,665
FINES AND FORFEITURES		
Fines and Forfeitures	16,334	17,172
Total Fines and Forfeitures	16,334	17,172
CHARGES FOR SERVICES		
Recreation Charges	3,001	2,917
Cemetery Lots	500	-
Police Services	3,597	735
Total Charges for Services	7,098	3,652
INTERGOVERNMENTAL REVENUE		
Federal Government	-	-
State Government	25,463	24,165
Other Local Governments	-	-
Total Intergovernmental Revenue	25,463	24,165
MISCELLANEOUS REVENUE		
Interest Earnings	1,778	1,594
Penalties	1,578	4,831
Rents and Deposits	11,896	12,328
Donations	100	3,900
Reimbursement for Damaged Property	-	12,774
Miscellaneous	1,382	1,819
Total Miscellaneous Revenue	16,734	37,246
GRAND TOTAL REVENUES	$ 618,042	$ 667,109

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

	JUNE 30, 2018	JUNE 30, 2017
GENERAL GOVERNMENT		
Salaries	$ 58,741	$ 59,245
Council Fees	6,150	4,750
Mayors Fee	1,775	2,750
Mayor Pro-Tem Fee	1,350	1,475
Election Labor	4,349	-
Election Supplies	1,875	40
Salaries-BH Manager	2,669	5,183
Insurance-Public Officials	1,786	1,394
Payroll Taxes	5,421	5,628
Employers Retirement	1,158	1,199
Management Maintenance	6,994	7,079
Business License Software	-	2,681
Property Tax Software	-	2,681
Workers Compensation Insurance	358	381
Audit	7,650	7,330
Legal	12,808	8,370
Building Maintenance	995	1,205
Insurance	1,814	2,253
Telephone	3,879	4,410
Advertisements	10,634	5,334
Dues	3,141	4,523
Clerks Training	2,131	3,894
Public Officials Training	3,742	2,177
Office Supplies	4,809	3,491
Electricity	2,129	2,340
Miscellaneous	588	8,533
Office Equipment	8,016	2,133
Total General Government	154,962	150,479
PUBLIC SAFETY		
Police Department:		
Salaries	159,942	140,016
Payroll Taxes	12,255	10,733
Retirement	662	136
Uniforms	1,455	1,180
Recorder's Court	23,091	21,769
Workers Compensation Insurance	12,542	11,883
Computer Maintenance	1,450	410
Equipment Maintenance and Repair	-	556
Vehicle Maintenance and Repair	5,540	10,827
Insurance	2,778	3,371
Insurance - Police Liability	1,791	2,989
Telephone	3,608	3,549
Training and Mileage	1,800	2,244
Supplies	1,500	1,769
Gas and Oil	10,591	8,351
Electricity	2,077	2,827
Small Equipment	1,134	3,810
Drug Task Force	$ 578	$ 2,695

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

	JUNE 30, 2018	JUNE 30, 2017
PUBLIC SAFETY (continued)		
Police Department (continued):		
Capital Outlay:	$ -	$ -
Total Police Department	242,794	229,115
Fire Department:		
Salaries	2,450	2,450
Fireman's Retainer	2,100	2,475
Asst. Fire Chief Salary	950	975
Payroll Taxes	423	453
Management Maintenance	891	835
Uniforms	1,800	2,157
Building Maintenance and Repair	570	-
Equipment Maintenance and Repair	526	896
Vehicle Maintenance and Repair	1,200	1,396
Street Maintenance	-	-
Insurance	3,455	2,991
Training and Mileage	650	199
Supplies	579	486
Electricity	1,235	1,009
Fire Hydrant Testing	1,200	1,200
Miscellaneous	730	-
Small Equipment	1,800	3,240
Capital Outlay:	-	-
Total Fire Department	20,559	20,762
Total Public Safety	263,353	249,877
PUBLIC WORKS		
Salaries	49,867	52,861
Payroll Taxes	3,823	4,052
Retirement	944	470
Workers Compensation Insurance	4,148	4,618
Uniforms	1,246	1,803
Animal Control	-	100
Building Maintenance	-	-
Equipment Maintenance and Repair	14,233	19,723
Vehicle Maintenance and Repair	4,882	2,831
Street Maintenance	8,955	10,447
Insurance	2,820	3,293
Telephone	896	808
Training and Mileage	313	464
Inmate Expense	2,443	3,111
Supplies	7,609	7,018
Pesticides and Herbicides	7,375	13,228
Electricity	39,253	39,096
Gas and Oil	14,504	13,947
Paving	79,060	7,415
Mosquito Spraying	$ -	$ 2,182

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

	JUNE 30,	
	2017	2017
PUBLIC WORKS (continued)		
Capital Outlay:	$ -	$ -
Total Public Works	242,371	187,467
CULTURE AND RECREATION		
Recreation Department:		
Maintenance and Repair	309	1,035
Insurance	2,000	1,365
Electricity	3,803	3,207
Miscellaneous	-	-
Total Recreation Department	6,112	5,607
Community Center:		
Maintenance and Repair	-	-
Electricity	1,573	2,707
Insurance	5,242	5,986
Total Community Center	6,815	8,693
Other:		
Downtown Development	315	6,919
Miscellaneous	-	-
CHIP Grant	4,500	5,000
Depot Insurance	455	585
May Day Committee	166	1,578
Calhoun County Community Center	-	-
Calhoun County Library	1,000	-
Capital Outlay	-	-
Total Other	6,436	14,082
Total Culture and Recreation	19,363	28,382
GRAND TOTAL EXPENDITURES	$ 680,049	$ 616,205

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

	JUNE 30, 2018	JUNE 30, 2017
ASSETS		
Cash and Cash Equivalents	$ 14	$ 14
Intergovernmental Receivable:		
Federal Government-Passed Through GHFA	-	2,175
Total Assets	14	2,189
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	$ 14	$ 2,189

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, 2018
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017

	Totals			
	2018		Variance Over	2017
	Budget	Actual	(Under)	Actual
REVENUES				
Federal Government:				
Georgia Housing and Finance Authority- Community Home Investment Program	$ 210,246	$ 187,819	$ (22,427)	$ 95,754
Total Revenues	210,246	187,819	(22,427)	95,754
EXPENDITURES				
Housing and Development:				
Rehabilitation of Private Properties	210,246	187,819	22,427	89,754
Administration	-	-	-	6,000
Total Expenditures	210,246	187,819	22,427	95,754
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	-	14
Fund Balance - End of Year	$ 14	$ 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 31, 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 31, 2018

Accumulative CHIP Expenditures To Date	Accumulative Expenditures To Date (Other Funds)	Grand Total Of Expenditures To Date	Questioned Costs
$ 283,573	-	283,573	
283,573	-	283,573	
277,573	-	277,573	$ -
6,000	-	6,000	-
283,573	-	283,573	$ -
-	-	-	
-	-	-	
$ -	$ -	$ -	

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, 2018

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	283,573
Less:	
CHIP Funds Expended By Recipient	283,573
Amount of Fiscal Year 2014 CHIP Funds Held By Recipient	$ -

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

	JUNE 30, 2018	JUNE 30, 2017
ASSETS		
Cash and Cash Equivalents	$ 13	$ 13
Intergovernmental Receivable:		
Federal Government-Passed Thru Georgia DCA	6,257	-
Total Assets	6,270	-
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	6,257	-
Due to General Fund	13	13
Total Liabilities	6,270	13
Fund Balance:		
Fund Balance Restricted for CDGB Projects	-	-
Total Fund Balance	-	-
Total Liabilities and Fund Balance	$ 6,270	$ 13

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,	
	2018	2017
REVENUES		
Federal Government:		
Georgia Department of Community Affairs-		
Community Development Block Grant	229,356	31,500
Total Revenues	229,356	31,500
EXPENDITURES		
Capital Outlay:		
ED - Public Facilities and Improvements	190,499	-
Engineering - Commercial/Industrial		
Infrastructure Development	18,857	31,500
Administration	20,000	-
Total Expenditures	229,356	31,500
Excess (Deficiency) of Revenues Over Expenditures	-	-
OTHER FINANCING SOURCES AND USES		
Transfers In	-	-
Transfers Out	-	(20)
Total Other Financing Sources (Uses)	-	(20)
Net Change in Fund Balance	-	(20)
Fund Balance - Beginning of Year	-	20
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 NOVEMBER 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 NOVEMBER 19, 2018

Accumulative CDBG Expenditures To Date	Accumulative Expenditures To Date (Other Funds)	Grand Total Of Expenditures To Date	Questioned Costs
$ 265,856	-	265,856	
265,856	-	265,856	
190,499	-	190,499	$ -
50,357	-	50,357	-
25,000	-	25,000	-
265,856	-	265,856	$ -
-	-	-	
-	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, 2018

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	265,856
Less: CDBG Funds Expended By Recipient	265,856
Amount of Fiscal Year 2015 CDBG 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.

2018 Arlington Special Purpose Local Option Sales Tax (SPLOST) Fund - is used to account for the estimated $237,000 in tax proceeds to be collected over a six year period beginning January 1, 2018. The proceeds are to be used to finance capital outlay projects including construction of, improvements to, equipment for, and/or alterations of the street, roads and sidewalk projects, city building and/or facilities, public safety, waste water treatment facilities, recreational and parks, waste and water systems and management and/or acquisition of vehicles for law enforcement, emergency services and/or city departments.

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.

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, 2018

	Capital		
	2018 SPLOST	2013 SPLOST	2012 SPLOST
ASSETS			
Cash and Cash Equivalents	$ 6,614	$ 64,495	$ 48,620
Intergovernmental Receivables:			
SPLOST Receivable	4,606	4,169	-
Due from 2012 SPLOST Fund	2,188	2,234	-
Due from General Fund	16	16	2,730
Total Assets	13,424	70,914	51,350
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts Payable	-	4,124	-
Due to General Fund	-	-	-
Due to 2013 SPLOST Fund	-	-	2,234
Due to 2018 SPLOST Fund	-	-	2,188
Total Liabilities	-	4,124	4,422
Fund Balance:			
Fund Balance Restricted For:			
SPLOST Projects	13,424	66,790	46,928
CDBG Projects	-	-	-
Total Fund Balance	13,424	66,790	46,928
Total Liabilities and Fund Balance	$ 13,424	$ 70,914	$ 51,350

CITY OF ARLINGTON, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

Projects		Total Nonmajor Governmental Funds
2007 SPLOST	2016 CDBG	
$ 4,809	$ 1,003	$ 125,541
-	-	8,775
-	-	4,422
-	-	2,762
4,809	1,003	141,500
4,809	-	8,933
-	3	3
-	-	2,234
-	-	2,188
4,809	3	13,358
-	-	127,142
-	1,000	1,000
-	1,000	128,142
$ -	$ 1,003	$ 141,500

CITY OF ARLINGTON, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Capital		
	2018 SPLOST	2013 SPLOST	2012 SPLOST
REVENUES			
Intergovernmental	$ 13,424	$ 29,750	$ 17,594
Miscellaneous	-	448	332
Total Revenues	13,424	30,198	17,926
EXPENDITURES			
Current:			
Public Works-Streets	-	-	2,650
Capital Outlay	-	35,149	46,088
Total Expenditures	-	35,149	48,738
Excess (Deficiency) of Revenues Over Expenditures	13,424	(4,951)	(30,812)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balance	13,424	(4,951)	(30,812)
Fund Balance - Beg of Year	-	71,741	77,740
Fund Balance - End of Year	$ 13,424	$ 66,790	$ 46,928

CITY OF ARLINGTON, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

Projects		Total Nonmajor Governmental Funds
2007 SPLOST	2016 CDBG	
$ -	$ 39,459	$ 100,227
40	-	820
40	39,459	101,047
-	-	2,650
6,262	39,459	126,958
6,262	39,459	129,608
(6,222)	-	(28,561)
-	-	-
-	-	-
-	-	-
(6,222)	-	(28,561)
6,222	1,000	156,703
$ -	$ 1,000	$ 128,142

CITY OF ARLINGTON, GEORGIA
2018 ARLINGTON SPECIAL PURPOSE LOCAL OPTION SALES TAX (SPLOST)
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS

	JUNE 30, 2018	JUNE 30, 2017
ASSETS		
Cash and Cash Equivalents	$ 6,614	$ -
Special Purpose Local Option Sales Tax Receivable	4,606	-
Due from General Fund	16	-
Due from 2012 SPLOST Fund	2,188	-
Total Assets	13,424	-
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	-	-
Total Liabilities	-	-
Fund Balance		
Fund Balance Restricted for SPLOST Projects	13,424	-
Total Fund Balance	13,424	-
Total Liabilities and Fund Balance	$ 13,424	$ -

CITY OF ARLINGTON, GEORGIA
2018 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, 2018	JUNE 30, 2017
REVENUES		
Calhoun County, Georgia:		
Special Purpose Local Option Sales Tax	$ 13,424	$ -
Miscellaneous - Interest Earnings	-	-
Total Revenues	13,424	-
EXPENDITURES		
Capital Outlay:	-	-
Total Expenditures	-	-
Excess (Deficiency) of Revenues Over Expenditures	13,424	-
OTHER FINANCING SOURCES AND USES		
Transfers In	-	-
Transfers Out	-	-
Total Other Financing Sources (Uses)	-	-
Net Change in Fund Balance	13,424	-
Fund Balance - Beginning of Year	-	-
Fund Balance - End of Year	$ 13,424	$ -

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

	JUNE 30, 2018	JUNE 30, 2017
ASSETS		
Cash and Cash Equivalents	$ 64,495	$ 67,994
Special Purpose Local Option Sales Tax Receivable	4,169	2,404
Due from General Fund	16	-
Due from 2012 SPLOST Fund	2,234	-
Due from 2007 SPLOST Fund	-	2,234
Total Assets	70,914	72,632
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	4,124	891
Total Liabilities	4,124	891
Fund Balance		
Fund Balance Restricted for SPLOST Projects	66,790	71,741
Total Fund Balance	66,790	71,741
Total Liabilities and Fund Balance	$ 70,914	$ 72,632

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, 2018	JUNE 30, 2017
REVENUES		
Calhoun County, Georgia:		
Special Purpose Local Option Sales Tax	$ 29,750	$ 28,624
Miscellaneous - Interest Earnings	448	481
Total Revenues	30,198	29,105
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
Building Improvements	35,149	-
Total Expenditures	35,149	32,952
Excess (Deficiency) of Revenues Over Expenditures	(4,951)	(3,847)
OTHER FINANCING SOURCES AND USES		
Transfers In	-	-
Transfers Out	-	-
Total Other Financing Sources (Uses)	-	-
Net Change in Fund Balance	(4,951)	(3,847)
Fund Balance - Beginning of Year	71,741	75,588
Fund Balance - End of Year	$ 66,790	$ 71,741

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

	JUNE 30, 2018	JUNE 30, 2017
ASSETS		
Cash and Cash Equivalents	$ 48,620	$ 72,347
Special Purpose Local Option Sales Tax Receivable	-	4,939
Due from General Fund	2,730	2,688
Total Assets	51,350	79,974
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	-	-
Due to 2013 SPLOST Fund	2,234	-
Due to 2018 SPLOST Fund	2,188	
Due to 2007 SPLOST Fund	-	2,234
Total Liabilities	4,422	2,234
Fund Balance		
Fund Balance Restricted for SPLOST Projects	46,928	77,740
Total Fund Balance	46,928	77,740
Total Liabilities and Fund Balance	$ 51,350	$ 79,974

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, 2018	JUNE 30, 2017
REVENUES		
Early County, Georgia:		
Special Purpose Local Option Sales Tax	$ 17,594	$ 29,912
Miscellaneous - Interest Earnings	332	401
Total Revenues	17,926	30,313
EXPENDITURES		
Current:		
Public Works-Streets	2,650	1,750
Capital Outlay:		
Mahindra Tractor and Loader	39,900	-
Police Communication Equipment	2,588	-
Building Improvements	3,600	3,220
Total Expenditures	48,738	4,970
Excess (Deficiency) of Revenues Over Expenditures	(30,812)	25,343
OTHER FINANCING SOURCES AND USES		
Transfers In	-	-
Transfers Out	-	(3,243)
Total Other Financing Sources (Uses)	-	(3,243)
Net Change in Fund Balance	(30,812)	22,100
Fund Balance - Beginning of Year	77,740	55,640
Fund Balance - End of Year	$ 46,928	$ 77,740

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

	JUNE 30, 2018	JUNE 30, 2017
ASSETS		
Cash and Cash Equivalents	$ 4,809	$ 6,222
Due from 2012 SPLOST Fund	-	2,234
Total Assets	4,809	8,456
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	4,809	-
Due to 2013 SPLOST Fund	-	2,234
Total Liabilities	4,809	2,234
Fund Balance		
Fund Balance Restricted for SPLOST Projects	-	6,222
Total Fund Balance	-	6,222
Total Liabilities and Fund Balance	$ -	$ 8,456

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, 2018	JUNE 30, 2017
REVENUES		
Miscellaneous - Interest Earnings	$ 40	$ 73
Total Revenues	40	73
EXPENDITURES		
Capital Outlay:		
Picnic Tables and Barbecue Grills	-	2,499
Bases	100	-
Park Monument Lights	928	-
Gym Improvements	89	3,903
Air Conditioner	336	-
Concession Stand	4,809	-
Total Expenditures	6,262	6,352
Excess (Deficiency) of Revenues Over Expenditures	(6,222)	(6,279)
OTHER FINANCING SOURCES AND USES		
Transfers In	-	-
Transfers Out	-	-
Total Other Financing Sources (Uses)	-	-
Net Change in Fund Balance	(6,222)	(6,279)
Fund Balance - Beginning of Year	6,222	12,501
Fund Balance - End of Year	$ -	$ 6,222

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

	JUNE 30, 2018	JUNE 30, 2017
ASSETS		
Cash and Cash Equivalents	$ 1,003	$ 1,003
Total Assets	1,003	1,003
LIABILITIES AND FUND BALANCE		
Liabilities:		
Due to General Fund	3	3
Total Liabilities	3	3
Fund Balance:		
Fund Balance Restricted for CDGB Projects	1,000	1,000
Total Fund Balance	1,000	1,000
Total Liabilities and Fund Balance	$ 1,003	$ 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,	
	2018	2017
REVENUES		
Federal Government:		
Georgia Department of Community Affairs-		
Community Development Block Grant	39,459	5,000
Total Revenues	39,459	5,000
EXPENDITURES		
Capital Outlay:		
Engineering - Water/Sewer Improvements	31,038	-
Sewer Facilities	-	-
Administration	8,421	4,000
Total Expenditures	39,459	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	1,000	-
Fund Balance - End of Year	$ 1,000	$ 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
$ 44,459	-	44,459	
44,459	-	44,459	
-	-	-	$ -
31,038	-	31,038	-
-	-	-	-
12,421	-	12,421	-
43,459	-	43,459	$ -
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, 2018

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	44,459
Less: CDBG Funds Expended By Recipient	43,459
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, 2018	JUNE 30, 2017
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 171,132	$ 193,120
Investment in Certificate of Deposit	41,757	40,796
Accounts Receivable	35,325	39,828
Restricted Assets:		
Cash and Cash Equivalents	15,735	9,567
Total Current Assets	263,949	283,311
Non-current Assets:		
Restricted Assets:		
Investment in Certificate of Deposit- Reserve and Renewal Extension Fund	69,792	69,792
Capital Assets:		
Water & Sewerage System	7,245,076	7,217,352
Machinery & Equipment	75,596	75,596
	7,320,672	7,292,948
Less Accumulated Depreciation	(2,285,397)	(2,141,553)
Net Capital Assets	5,035,275	5,151,395
Deposits	200	200
Total Non-current Assets	5,105,267	5,221,387
Total Assets	$ 5,369,216	$ 5,504,698

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

	JUNE 30, 2018	JUNE 30, 2017
LIABILTIES AND NET POSITION		
Current Liabilities:		
Accounts Payable	$ 9,215	$ 23,033
Payable from Restricted Assets:		
Revenue Bond - 2009 Series	19,093	18,300
Customer Deposits	14,753	8,193
Customer Deposits	31,226	38,096
Total Current Liabilities	74,287	87,622
Long-Term Liabilities:		
Revenue Bond - 2009 Series	1,182,454	1,201,547
Total Long-Term Liabilities	1,182,454	1,201,547
Total Liabilities	1,256,741	1,289,169
Net Position:		
Net Investment in Capital Assets	3,833,728	3,931,548
Restricted	70,774	71,166
Unrestricted	207,973	212,815
Total Net Position	4,112,475	4,215,529
Total Liabilities and Net Position	$ 5,369,216	$ 5,504,698

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, 2018	JUNE 30, 2017
OPERATING REVENUES		
Water & Sewerage Charges	$ 419,618	$ 431,297
Cut-on & Tap Fees	10,963	10,847
Penalties and Miscellaneous	9,449	10,104
Total Operating Revenues	440,030	452,248
OPERATING EXPENSES		
Salaries and Payroll Costs	68,246	80,852
Drinking Water Fees and Lab Tests	23,730	28,305
Maintenance and Repairs	52,080	43,601
Materials and Supplies	150,040	166,041
Electricity	46,643	56,184
Other Operating Expenses	14,245	23,739
Depreciation	143,844	145,729
Total Operating Expenses	498,828	544,451
Operating Loss	(58,798)	(92,203)
NON-OPERATING REVENUES AND EXPENSES		
Interest Income	2,538	2,396
Interest Expense	(51,492)	(52,252)
Total Non-Operating Revenues and Expenses	(48,954)	(49,856)
Net Income Before Contributions and Transfers	(107,752)	(142,059)
CONTRIBUTIONS	-	-
Total Contributions	-	-
TRANSFERS		
Transfer In	12,524	15,495
Transfer Out	(7,826)	-
Net Transfers	4,698	15,495
Net Income (Loss)	(103,054)	(126,564)
Net Position - Beginning of Year	4,215,529	4,342,093
Net Position - End of Year	$ 4,112,475	$ 4,215,529

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

	JUNE 30, 2018	JUNE 30, 2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received From Customers	$ 444,223	$ 454,983
Cash Paid To Employees for Services	(55,041)	(66,467)
Cash Paid To Other Suppliers of Goods and Services	(313,761)	(321,458)
Net Cash Provided (Used) by Operating Activities	75,421	67,058
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers From Other Funds	12,524	12,252
Transfers To Other Funds	(7,826)	-
Net Cash Provided (Used) by Non-Capital Financing Activities	4,698	12,252
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES		
Transfers From Other Funds	-	3,243
Principal Paid on Revenue Bonds	(18,300)	(17,540)
Interest Paid on Revenue Bonds	(51,492)	(52,252)
Acquisition and Construction of Capital Assets	(27,724)	-
Net Cash Provided (Used) by Capital & Related Financing Activities	(97,516)	(66,549)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Income	2,538	2,396
Certificate of Deposit-Interest Reinvestment	(961)	(933)
Net Cash Provided (Used) by Investing Activities	1,577	1,463
Net Increase (Decrease) in Cash and Cash Equivalents	(15,820)	14,224
Cash and Cash Equivalents - Beginning of Year	202,687	188,463
Cash and Cash Equivalents - End of Year	$ 186,867	$ 202,687
RECONCILIATION OF CASH AND CASH EQUIVALENTS ON BALANCE SHEETS		
Cash and Cash Equivalents-Unrestricted	$ 171,132	$ 193,120
Cash and Cash Equivalents-Restricted	15,735	9,567
Total Cash and Cash Equivalents	$ 186,867	$ 202,687

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

	JUNE 30, 2018	JUNE 30, 2017
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Loss	$ (58,798)	$ (92,203)
Adjustments to Reconcile Operating Income To Net Cash Provided (Used) by Operating Activities:		
Depreciation Expense	143,844	145,729
Rounding	-	(1)
(Increase) Decrease in Accounts Receivable	4,503	1,673
Increase (Decrease) in Accounts Payable	(13,818)	10,799
Increase (Decrease) in Customer Deposits	(310)	1,061
Total Adjustments	134,219	159,261
Net Cash Provided (Used) By Operating Activities	$ 75,421	$ 67,058
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES	$ -	$ -

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

	JUNE 30, 2018	JUNE 30, 2017
ASSETS		
Current Assets:		
Accounts Receivable	$ 10,513	$ 11,608
Total Current Assets	10,513	11,608
Non-current Assets:		
Total Non-current Assets	-	-
Total Assets	$ 10,513	$ 11,608
LIABILTIES AND NET POSITION		
Current Liabilities:		
Accounts Payable	8,386	8,378
Total Current Liabilities	8,386	8,378
Long-Term Liabilities:		
Total Long-Term Liabilities	-	-
Total Liabilities	8,386	8,378
Net Position:		
Net Investment in Capital Assets	-	-
Restricted	-	-
Unrestricted	2,127	3,230
Total Net Position	2,127	3,230
Total Liabilities and Net Position	$ 2,127	$ 3,230

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

	JUNE 30,	
	2018	2017
OPERATING REVENUES		
Sanitation Fees	$ 120,831	$ 122,678
Total Operating Revenues	120,831	122,678
OPERATING EXPENSES		
Solid Waste Collection	100,315	100,179
Total Operating Expenses	100,315	100,179
Operating Income	20,516	22,499
NON-OPERATING REVENUES AND EXPENSES		
Total Non-Operating Revenues and Expenses	-	-
Net Income Before Contributions and Transfers	20,516	22,499
CONTRIBUTIONS		
Total Contributions	-	-
TRANSFERS		
Transfer In	-	-
Transfer Out	(21,619)	(21,697)
Net Transfers	(21,619)	(21,697)
Net Income (Loss)	(1,103)	802
Net Position - Beginning of Year	3,230	2,428
Net Position - End of Year	$ 2,127	$ 3,230

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

	JUNE 30, 2018	JUNE 30, 2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received From Customers	$ 121,926	$ 122,343
Cash Paid To Other Suppliers of Goods and Services	(100,307)	(100,646)
Net Cash Provided (Used) by Operating Activities	21,619	21,697
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers From Other Funds	-	-
Transfers To Other Funds	(21,619)	(21,697)
Net Cash Provided (Used) by Non-Capital Financing Activities	(21,619)	(21,697)
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, 2018	JUNE 30, 2017
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income	$ 20,516	$ 22,499
Adjustments to Reconcile Operating Income To Net Cash Provided (Used) by Operating Activities:		
Rounding	1	-
(Increase) Decrease in Accounts Receivable	1,094	(335)
Increase (Decrease) in Accounts Payable	8	(467)
Total Adjustments	1,103	(802)
Net Cash Provided (Used) By Operating Activities	$ 21,619	$ 21,697
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, 2018

	Beginning Balance	Additions	Deductions	Ending Balance
ASSETS				
Cash and Cash Equivalents	$ 15,085	$ 28,762	$ (28,632)	$ 15,215
Total Assets	15,085	28,762	(28,632)	15,215
LIABILITIES				
Due to P.O.A.B.	49	980	(985)	44
Due to G.S.C.C.C.A	381	2,981	(3,212)	150
Due to Courtware Solutions	21	1,854	(1,845)	30
Due to Victims Assistance Program	3	649	(652)	-
Due to Drug Abuse Program	-	453	(453)	-
Due to City of Arlington General Fund	-	14,258	(14,258)	-
Amounts Held in Escrow	14,631	7,587	(7,227)	14,991
Total Liabilities	$ 15,085	$ 28,762	$ (28,632)	$ 15,215

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, 2018	JUNE 30, 2017
ASSETS		
Cash and Cash Equivalents	$ 5,002	$ 12,976
Intergovernmental Receivable:		
State Government-Georgia Department of Economic Development	5,000	-
Total Assets	10,002	12,976
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts Payable	570	229
Total Liabilities	570	229
Fund Equity:		
Fund Balance Reserved for Downtown Development Projects	9,432	12,747
Total Fund Equity	9,432	12,747
Total Liabilities and Fund Equity	$ 10,002	$ 12,976

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, 2018	JUNE 30, 2017
REVENUES		
Intergovernmental:		
City of Arlington	$ -	$ 5,888
State of Georgia:		
Georgia Department of Economic Development	5,000	-
Miscellaneous:		
Rent and Events	7,010	7,167
Other Revenue	-	126
Interest	91	36
Total Miscellaneous	7,101	7,329
Total Revenues	12,101	13,217
EXPENDITURES		
City of Arlington-Rent Commission	1,096	627
Utilities	2,236	1,601
Supplies and Postage	52	87
Miscellaneous	903	488
May Day	500	479
Events	629	1,647
Capital Outlay:		
Everybody Likes Arlington Mural	10,000	-
Total Expenditures	15,416	4,929
Excess (Deficiency) of Revenues Over Expenditures	(3,315)	8,288
Fund Balance - Beginning of Year	12,747	4,459
Fund Balance - End of Year	$ 9,432	$ 12,747

CITY OF ARLINGTON, GEORGIA
ARLINGTON DOWNTOWN DEVELOPMENT AUTHORITY - COMPONENT UNIT
SCHEDULE OF STATE AWARDS EXPENDED
FOR THE YEAR JUNE 30, 2018

STATE PROGRAM NAME: GEORGIA COUNCIL FOR THE ARTS
VIBRANT COMMUNITIES GRANT

AGREEMENT NUMBER: FY18 - VC10

Revenues:	
Georgia Department of Economic Development	$ 5,000
Total Revenues	5,000
Expenditures:	
Everybody Likes Arlington Mural at 17548 N. Highland Avenue, Arlington, Georgia (Total Cost $10,000)	5,000
Total Expenditures	5,000
Excess of Revenues Over Expenditures	$ -

At June 30, 2018, the full grant amount of $5,000 was due from and no amounts were due to the Georgia Department of Economic Development.

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, 2018

Project	Estimated Original Cost	Estimated Current Cost	Expenditures Prior Years	Expenditures Current Year	Total	Estimated Percentage of Completion
Water and Sewer System Improv.	$ 103,310	$ 103,310	$ 111,292	$ -	$ 111,292	107.73%
Roads, Streets, and Bridges	50,000	50,000	42,722	-	42,722	85.44%
Recreational Purposes	30,000	30,000	23,593	6,262	29,855	99.52%
Totals	$ 183,310	$ 183,310	$ 177,607	$ 6,262	$ 183,869	100.30%

CITY OF ARLINGTON, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH
2012-2017 SPECIAL PURPOSE LOCAL OPTION SALES TAX
FOR THE YEAR ENDED JUNE 30, 2018

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	2,588	7,031	*
Computer Equipment	*	*	5,438	-	5,438	*
Depot Renovation	*	*	11,350	-	11,350	*
2012 Dodge Charger Police Car	*	*	35,894	-	35,894	*
Streets & Roads	*	*	55,279	2,650	57,929	*
Mahindra Tractor and Loader	*	*	-	39,900	39,900	*
City Hall Improvements	*	*	-	3,600	3,600	*
Water & Sewerage	*	*	15,794	-	15,794	*
	$ 247,000	$ 247,000	$ 130,198	$ 48,738	$ 178,936	72.44%

CITY OF ARLINGTON, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH
2013-2019 SPECIAL PURPOSE LOCAL OPTION SALES TAX
FOR THE YEAR ENDED JUNE 30, 2018

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	$ 35,149	$ 39,856	27.58%
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	6,486	-	6,486	10.81%
Totals	$ 247,500	$ 247,500	$ 39,780	$ 35,149	$ 74,929	30.27%

CITY OF ARLINGTON, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH
2018-2023 SPECIAL PURPOSE LOCAL OPTION SALES TAX
FOR THE YEAR ENDED JUNE 30, 2018

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/or Alterations of the Street, Roads and Sidewalk Projects, City Building and/or Facilities, Public Safety, Waste-Water Treatment Facilities, Recreational and Parks, Waste and Water Systems and Management and/or Acquisition of Vehicles for Law Enforcement, Emergency Services and/or City Departments:	$ 237,000	$ 237,000	$ -	$ -	$ -	0.00%

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

To the City Council
City of Arlington, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Arlington, Georgia, as of and for the year ended June 30, 2018, 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 May 9, 2019.

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. [2018-001].

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. [2018-002].

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 [2018-003] [2018-004].

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
May 9, 2019

CITY OF ARLINGTON, GEORGIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2018

FINANCIAL STATEMENT FINDINGS:

Internal Control Over Financial Reporting

2017-001 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.

2017-002 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

2017-003 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.

2017-004 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, 2018

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

2018-001 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, 2018

SIGNIFICANT DEFICIENCIES

2018-002 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

2018-003 Expenditures Over Appropriations. (repeat finding)

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

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

Public Safety	$ 6,869
Public Works	62,011

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 has deposited various SPLOST receipts into the incorrect checking account(s). The City has attempted corrections in prior years, but the condition remains.

Context: Total inter-fund receivables and payables total $7,184.

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.