CITY OF ARLINGTON, GEORGIA
Arlington, Georgia

Financial Statements
and Supplemental Information

For the Fiscal Year Ended
June 30, 2020

And

Auditor's Report

CITY OF ARLINGTON, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2020

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BROWN, MCDANIEL & LADSON
CERTIFIED PUBLIC ACCOUNTANTS
2545 Lafayette Plaza Drive, Suite A, Albany, GA 31707
(229) 888-1144 / Fax (229) 888-1029

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 discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Arlington, Georgia, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Arlington, Georgia'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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Arlington, Georgia, as of June 30, 2020, 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 41-42 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Arlington, Georgia's basic financial statements. The individual

major fund, combining and individual non-major fund, and component unit financial statements and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* and is also not a required part of the basic financial statements.

The individual major fund, combining and individual non-major fund, supplementary schedules, and schedule of expenditures of federal awards 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 supplementary schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated June 2, 2021, 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
June 2, 2021

CITY OF ARLINGTON, GEORGIA
STATEMENT OF NET POSITION
AS OF JUNE 30, 2020

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Unit
ASSETS				
Cash and Cash Equivalents	$ 543,903	$ 128,760	$ 672,663	$ 4,804
Investments	1,958	35,428	37,386	-
Receivables	39,701	58,864	98,565	-
Restricted Assets:				
Cash and Cash Equivalents	-	35,323	35,323	-
Investments	-	79,800	79,800	-
Deposits	-	200	200	-
Capital Assets - Not Being Depreciated	344,487	634,875	979,362	8,089
Capital Assets, Net of Accumulated Depreciation	753,130	5,205,833	5,958,963	9,200
Total Assets	1,683,179	6,179,083	7,862,262	22,093
LIABILITIES				
Accounts Payable	10,089	11,384	21,473	-
Accrued Liabilities	72	-	72	-
Customer Deposits Payable	-	47,418	47,418	-
Non-current Liabilities:				
Due Within One Year	22,628	28,716	51,344	-
Due In More Than One Year	29,455	1,234,991	1,264,446	-
Total Liabilities	62,244	1,322,509	1,384,753	-
NET POSITION				
Net Investment in Capital Assets	1,045,534	4,577,001	5,622,535	17,289
Restricted:				
Special Revenue Purposes	-	-	-	4,804
Capital Projects	239,597	-	239,597	-
Debt Service	-	88,589	88,589	-
Unrestricted	335,804	190,984	526,788	-
Total Net Position	$ 1,620,935	$ 4,856,574	$ 6,477,509	$ 22,093

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

CITY OF ARLINGTON, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

Function/Programs	Expenses	Program Revenues: Fees, Fines Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	$ 175,873	$ 14,516	$ -	$ -
Judicial	21,721	9,963	-	-
Public Safety	286,094	68	470	-
Public Works	240,022	-	37,960	612,294
Culture and Recreation	20,898	13,445	-	-
Interest on Long-Term Debt	1,459	-	-	-
Total Governmental Activities	746,067	37,992	38,430	612,294
Business-Type Activities:				
Water and Sewer System	535,636	405,324	-	438,889
Sanitation	123,443	126,369	-	-
Total Business-Type Activities	659,079	531,693	-	438,889
Total Primary Government	1,405,146	569,685	38,430	1,051,183
Component Unit:				
Downtown Development Authority	15,440	4,888	-	-
Total Component Units	$ 15,440	$ 4,888	$ -	$ -
General Revenues:				
Property Taxes				
Local Option Sales Taxes				
Insurance Premiums Tax				
Alcoholic Beverages Taxes				
Franchise Taxes				
Excise Tax on Energy				
Financial Institution Taxes				
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, 2020

Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	**Business-Type Activities**	**Total**	**Component Unit**
$ (161,357)	$ -	$ (161,357)	$ -
(11,758)	-	(11,758)	-
(285,556)	-	(285,556)	-
410,232	-	410,232	-
(7,453)	-	(7,453)	-
(1,459)	-	(1,459)	-
(57,351)	-	(57,351)	-
-	308,577	308,577	-
-	2,926	2,926	-
-	311,503	311,503	-
(57,351)	311,503	254,152	-
-	-	-	(10,552)
-	-	-	(10,552)
254,040	-	254,040	-
101,465	-	101,465	-
112,375	-	112,375	-
16,355	-	16,355	-
75,837	-	75,837	-
5,962	-	5,962	-
1,000	-	1,000	-
2,351	-	2,351	-
180	-	180	-
1,721	3,782	5,503	50
1,610	-	1,610	-
(531,553)	531,553	-	-
41,343	535,335	576,678	50
(16,008)	846,838	830,830	(10,502)
1,636,943	4,009,736	5,646,679	32,595
$ 1,620,935	$ 4,856,574	$ 6,477,509	$ 22,093

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

CITY OF ARLINGTON, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2020

	General Fund	2016 CDBG	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	$ 317,174	$ -	$ 226,729	$ 543,903
Investment	1,958	-	-	1,958
Receivables	29,595	-	10,106	39,701
Due from Other Funds	-	-	4,996	4,996
Total Assets	348,727	-	241,831	590,558
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts Payable	10,089	-	-	10,089
Accrued Liabilities	72	-	-	72
Due to Other Funds	2,762	-	2,234	4,996
Total Liabilities	12,923	-	2,234	15,157
Deferred Inflows of Resources:				
Unavailable Revenue:				
Property Tax	7,165	-	-	7,165
Fund Balances:				
Restricted	-	-	239,597	239,597
Assigned	158,696	-	-	158,696
Unassigned	169,943	-	-	169,943
Total Fund Balances	328,639	-	239,597	568,236
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 348,727	$ -	$ 241,831	

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	1,097,617
Deferred inflows of resources are not available to pay for current period expenditures and are deferred in the funds	7,165
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	(52,083)
Net Position of Governmental Activities	$ 1,620,935

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, 2020

	General Fund	2016 CDBG	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	$ 564,774	$ -	$ -	$ 564,774
Licenses and Permits	14,354	-	-	14,354
Fines and Forfeitures	9,963	-	-	9,963
Charges for Services	3,486	-	-	3,486
Intergovernmental	53,458	450,635	122,492	626,585
Investment Income	1,721	-	1,175	2,896
Contributions and Donations				-
from Private Sources	470	-	-	470
Miscellaneous	11,799	-	-	11,799
Total Revenues	660,025	450,635	123,667	1,234,327
EXPENDITURES				
Current:				
General Government	156,989	-	509	157,498
Judicial	21,721	-	-	21,721
Public Safety	250,413	-	-	250,413
Public Works	195,160	-	8,736	203,896
Culture and Recreation	18,349	-	-	18,349
Capital Outlay	-	451,635	110,594	562,229
Debt Service	-	-	18,157	18,157
Total Expenditures	642,632	451,635	137,996	1,232,263
Excess (Deficiency) of Revenues Over Expenditures	17,393	(1,000)	(14,329)	2,064
OTHER FINANCING SOURCES (USES)				
Face Amount of Long-Term Debt	-	-	68,781	68,781
Reimbursement for Damaged Property	13,286	-	11,559	24,845
Transfers In	-	-	-	-
Transfers Out	(14,943)	-	-	(14,943)
Total Other Financing Sources (Uses)	(1,657)	-	80,340	78,683
Net Change in Fund Balances	15,736	(1,000)	66,011	80,747
Fund Balances - Beginning of Year	312,903	1,000	173,586	487,489
End of Year	$ 328,639	$ -	$ 239,597	$ 568,236

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

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

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"	$	80,747
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		562,229
Transfer to Water & Sewerage Enterprise Fund		(516,610)
Decpreciation expense		(92,731)
Revenues reported in the "Statement of Activities" not providing current financial resources and not reported in the governmental funds.		2,440
Governmental funds report the proceeds of long-term debt as a current financial resource and the repayment of principal as an expenditure of current financial resources. However, in the "Statement of Activities" there is no effect for these transactions. Details of the amount by which long-term debt proceeds exceeded repayments of principal in the current year are		
Principal repayments		16,698
Face amount of long-term debt		(68,781)
Change in Net Position of governmental activities reported in the "Statement of Activities"	$	(16,008)

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

CITY OF ARLINGTON, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF JUNE 30, 2020

	Business-Type Activities - Enterprise Funds		
	Water and Sewer System	Sanitation	Totals
ASSETS			
Current Assets:			
Cash and Cash Equivalents	$ 128,760	$ -	128,760
Investments	35,428	-	35,428
Accounts Receivable	44,256	14,608	58,864
Restricted Assets:			
Cash and Cash Equivalents	35,323	-	35,323
Total Current Assets	243,767	14,608	258,375
Non-current Assets:			
Restrictged Assets - Investments	79,800	-	79,800
Capital Assets:			-
Land and Construction in Progress	634,875	-	634,875
Other Capital Assets, Net of Accumulated Depreciation	5,205,833	-	5,205,833
Deposits	200	-	200
Total Non-current Assets	5,920,708	-	5,920,708
Total Assets	6,164,475	14,608	6,179,083

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

CITY OF ARLINGTON, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF JUNE 30, 2020

	Business-Type Activities - Enterprise Funds		
	Water and Sewer System	Sanitation	Totals
LIABILITIES			
Current Liabilities:			
Accounts Payable	1,229	10,155	11,384
Customer Deposits	20,884	-	20,884
Payable from Restricted Assets:			
Revenue Bond - 2019 Series	7,938	-	7,938
Revenue Bond - 2009 Series	20,778	-	20,778
Customer Deposits	26,534	-	26,534
Total Current Liabilities	77,363	10,155	87,518
Long-Term Liabilities:			
Revenue Bond Payable - 2019 Series	93,098	-	93,098
Revenue Bond Payable - 2009 Series	1,141,893	-	1,141,893
	1,234,991	-	1,234,991
Total Liabilities	1,312,354	10,155	1,322,509
NET POSITION			
Net Investment in Capital Assets	4,577,001	-	4,577,001
Restricted	88,589	-	88,589
Unrestricted	186,531	4,453	190,984
Total Net Position	$ 4,852,121	$ 4,453	4,856,574

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, 2020

	Business-Type Activities - Enterprise Funds		
	Water and Sewer System	Sanitation	Totals
REVENUES			
Water and Sewerage Charges	$ 388,961	$ -	$ 388,961
Sanitation Charges	-	126,369	126,369
Cut-on and Tap Fees	5,443	-	5,443
Penalties and Miscellaneous	10,920	-	10,920
Total Operating Revenues	405,324	126,369	531,693
OPERATING EXPENSES			
Personal Services and Employee Benefits	75,094	-	75,094
Purchased/Contracted Services	88,138	123,443	211,581
Supplies	172,071	-	172,071
Other Costs	1,090	-	1,090
Depreciation	146,990	-	146,990
Total Operating Expenses	483,383	123,443	606,826
Operating Income (Loss)	(78,059)	2,926	(75,133)
NON-OPERATING REVENUES AND EXPENSES			
Interest Income	3,782	-	3,782
Interest Expense	(52,253)	-	(52,253)
Total Non-Operating Revenues and Expenses	(48,471)	-	(48,471)
Net Income Before Contributions and Transfers	(126,530)	2,926	(123,604)
CONTRIBUTIONS			
2013 Arlington SPLOST Capital Projects Fund	16,610	-	16,610
USDA Rural Development	438,889	-	438,889
2016 CDBG Capital Projects Fund	500,000	-	500,000
Total Contributions	955,499	-	955,499
TRANSFERS			
Tranfers In	12,744	11,226	23,970
Transfers Out	-	(9,027)	(9,027)
Net Transfers	12,744	2,199	14,943
Change in Net Position	841,713	5,125	846,838
Net Position - Beginning of Year	4,010,408	(672)	4,009,736
Net Position - End of Year	$ 4,852,121	$ 4,453	$ 4,856,574

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, 2020

	Business-Type Activities - Enterprise Funds		
	Water and Sewer System	Sanitation	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	$ 396,556	$ 121,894	$ 518,450
Cash Paid to Employees for Services	(51,381)	-	(51,381)
Cash Paid to Suppliers	(309,798)	(124,093)	(433,891)
Net Cash Provided (Used) by Operating Activities	35,377	(2,199)	33,178
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers From Other Funds	12,744	11,226	23,970
Transfers to Other Funds	-	(9,027)	(9,027)
Net Cash Provided (Used) by Non-Capital Financing Activities	12,744	2,199	14,943
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Contributed Capital USDA Rural Development	438,889	-	438,889
Principal Paid on Revenue Bonds	(27,547)	-	(27,547)
Interest Paid on Revenue Bonds	(52,253)	-	(52,253)
Acquisition and Construction of Capital Assets	(440,639)	-	(440,639)
Net Cash Provided (Used) by Capital and Related Financing Activities	(81,550)	-	(81,550)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Income	3,782	-	3,782
Certificate of Deposit-Interest Reinvestment	(2,236)	-	(2,236)
Net Cash Provided (Used) by Investing Activities	1,546	-	1,546
Net Increase (Decrease) in Cash and Cash Equivalents	(31,883)	-	(31,883)
Cash and Cash Equivalents - Beginning of Year	195,966	-	195,966
Cash and Cash Equivalents - End of Year	164,083	-	164,083
RECONCILIATION OF CASH AND CASH EQUIVALENTS ON STATEMENT OF NET POSITION			
Cash and Cash Equivalents	128,760	-	128,760
Cash and Cash Equivalents - Restricted	35,323	-	35,323
Total Cash and Cash Equivalents	$ 164,083	$ -	$ 164,083

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, 2020

	Business-Type Activities - Enterprise Funds		
	Water and Sewer System	Sanitation	Totals
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	$ (78,059)	$ 2,926	$ (75,133)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation	146,990	-	146,990
(Increase) Decrease in Accounts Receivable	(8,673)	(4,475)	(13,148)
Increase (Decrease) in Accounts Payable	(24,786)	(650)	(25,436)
Increase (Decrease) in Customer Deposits	(95)	-	(95)
Total Adjustments	113,436	(5,125)	108,311
Net Cash Provided (Used) by Operating Activities	$ 35,377	$ (2,199)	33,178
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Contributions of Water System Improvments by SPLOST Funds	$ 16,610	$ -	$ 16,610
Contributions of Sewer Facility Improvments by 2016 CDBG Fund	500,000	-	500,000
Total Noncash Investing, Capital, and Financing Activities	$ 516,610	$ -	$ 516,610

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

CITY OF ARLINGTON, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AS OF JUNE 30, 2020

	Agency Funds
ASSETS	
Cash and Cash Equivalents	$ 10,895
Total Assets	10,895
LIABILITIES	
Due to Other Agencies and Individuals	755
Amounts Held In Escrow	10,140
Total Liabilities	$ 10,895

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, 2020.

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, including water & sewerage and sanitation services; health and welfare; and culture and recreation.

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, Georgia – 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 power 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. FINANCIAL REPORTING ENTITY (continued)

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 $1,494 to the RC for the year ended June 30, 2020. 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. BASIS OF PRESENTATION (continued)

1. Government-Wide Financial Statements (continued)

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.

2016 Community Development Block Grant (CDBG) – is used to account for the proceeds of a $500,000 grant for improvements to the City's sewer facilities.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 the following: 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. ASSETS, LIABILITIES, AND NET POSITION OR FUND BALANCES

1. Cash and Cash Equivalents

The City's deposits, including those of component units, consist entirely of demand deposits, money market accounts, and savings accounts. 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. It is the policy of the City to invest excess available cash in money market and savings accounts.

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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. ASSETS, LIABILITIES, AND NET POSITION OR FUND BALANCES (continued)

3. Capital Assets, Depreciation, and Amortization (continued)

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
Infrastructure, including utility systems	7-50
Furniture, machinery, equipment, and vehicles	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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. ASSETS, LIABILITIES, AND NET POSITION OR FUND BALANCES (continued)

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 $7,165 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. ASSETS, LIABILITIES, AND NET POSITION OR FUND BALANCES (continued)

8. Net Position and Fund Balances (continued)

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 $239,597. 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. ASSETS, LIABILITIES, AND NET POSITION OR BALANCES (continued)

8. Net Position and Fund Balances (continued)

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.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. MATERIAL VIOLATIONS OF LEGAL AND CONTRACTUAL PROVISIONS

1. Expenditures Over Appropriations

The City incurred expenditures, which exceeded appropriations for the following City departments in violation of O.C.G.A. 36-81-3:

General Government	$ 20,524
Judicial	871
Public Safety	23,638
Public Works	17,100

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 budgeted 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 purposes, but any additional appropriations may be made only from existing unexpended surplus. Budget revisions at this level are subject to final review by the City Council.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

B. BUDGETARY INFORMATION (continued)

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

None of the City's funds had deficit net position or fund balance as of June 30, 2020.

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, 2020, the City's deposits and cash on hand for the primary government had a carrying amount of $707,986 and a bank balance of $761,110. Of the bank balance, $256,858 was covered by federal depository insurance and $504,252 was secured by collateral held by the pledging bank's agent in the City's name.

Component Unit

At June 30, 2020, the Arlington Downtown Development Authority's deposits had a carrying amount of $4,804 and bank balance of the same amount. All of the bank balance was covered by federal depository insurance.

NOTE 3 - DETAILED NOTES ON FUNDS AND COMPONENT UNITS (continued)

A. ASSETS (continued)

1. Deposits and Investments (continued)

Additionally, the City's deposits and cash on hand for the Recorder Court agency fund had a carrying amount of $10,895 and a bank balance of the same amount. All of this 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 are 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. Accordingly, the fair value of the investments is equal to its carrying amount. At June 30, 2020, the City's investments had a carrying amount of $117,586 and a bank balance in the same amount. None of the bank balance was covered by federal depository insurance, but rather was secured by collateral securities held by the pledging bank's agent, but not in the City's name.

Component Unit

At June 30, 2020, 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: (a) Credit Risk – the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment, (b) Concentration of Credit Risk – the risk of loss attributed to the magnitude of an entity's investment in a single issuer, (c) Interest Rate Risk – the risk that changes in interest rates demanded by the market will adversely affect the fair value of an investment, and (d) Foreign Currency Risk – the risk that changes in foreign exchange rates will adversely affect the fair values of an investment or deposit.

NOTE 3 - DETAILED NOTES ON FUNDS AND COMPONENT UNITS (continued)

A. ASSETS (continued)

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 19th) 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 Fund	Water and Sewerage	Sanitation	Other Funds	Totals
Receivables:					
Taxes	$ 29,344	$ -	$ -	$ -	$ 29,344
Intergovernmental	-	-	-	10,106	10,106
Accounts	-	44,256	14,608	-	58,864
Other	251	-	-	-	251
Totals	$ 29,595	$ 44,256	$ 14,608	$ 10,106	$ 98,565

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 Unit

At June 30, 2020, the Arlington Downtown Development Authority had no receivables.

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.

NOTE 3 - DETAILED NOTES ON FUNDS AND COMPONENT UNITS (continued)

A. ASSETS (continued)

4. Capital Assets

The following tables provide a summary of changes in capital assets:

Primary Government

	Balance July 1, 2019	Capital Acquisitions	Sales or Other Dispositions	Balance June 30, 2020
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	$ 344,487	$ -	$ -	$ 344,487
Construction in Progress	48,365	468,245	(516,610)	-
Total Capital Assets Not Being Depreciated	392,852	468,245	(516,610)	344,487
Capital Assets Being Depreciated:				
Infrastructure	588,859	-	-	588,859
Buildings and Improvements	924,500	15,166	-	939,666
Equipment, Furniture, and Vehicles	790,987	78,818	-	869,805
Total Capital Assets Being Depreciated	2,304,346	93,984	-	2,398,330
Less Accumulated Depreciation for:				
Infrastructure	(362,224)	(29,443)	-	(391,667)
Buildings and Improvements	(540,518)	(20,633)	-	(561,151)
Equipment, Furniture, and Vehicles	(649,727)	(42,655)	-	(692,382)
Total Accumulated Depreciation	(1,552,469)	(92,731)	-	(1,645,200)
Total Capital Assets Being Depreciated, Net	751,877	1,253	-	753,130
Governmental Activity Capital Assets, Net	$ 1,144,729	$ 469,498	$ (516,610)	$ 1,097,617

NOTE 3 - DETAILED NOTES ON FUNDS AND COMPONENT UNITS (continued)

A. ASSETS (continued)

4. Capital Assets (continued)

	Balance July 1, 2019	Capital Acquisitions	Sales or Other Dispositions	Balance June 30, 2020
Business-Type Activities:				
Capital Assets Not Being Depreciated:				
Land	$ 36,985	$ -	$ -	$ 36,985
Construction in Progress	157,251	440,639	-	597,890
Total Capital Assets Not Being Depreciated	194,236	440,639	-	634,875
Capital Assets Being Depreciated:				
Infrastructure	7,189,650	516,610	-	7,706,260
Buildings and Improvements	-	-	-	-
Equipment, Furniture, and Vehicles	75,596	-	-	75,596
Total Capital Assets Being Depreciated	7,265,246	516,610	-	7,781,856
Less Accumulated Depreciation for:				
Infrastructure	(2,356,381)	(146,323)	-	(2,502,704)
Buildings and Improvements	-	-	-	-
Equipment, Furniture, and Vehicles	(72,652)	(667)	-	(73,319)
Total Accumulated Depreciation	(2,429,033)	(146,990)	-	(2,576,023)
Total Capital Assets Being Depreciated, Net	4,836,213	369,620	-	5,205,833
Business-Type Activity Capital Assets, Net	5,030,449	810,259	-	5,840,708
Total Capital Assets, Net	$ 6,175,178	$ 1,279,757	$ (516,610)	$ 6,938,325

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

Governmental Activities:		Business-Type Activities:	
General Government	$ 18,375	Water and Sewerage System	$ 146,990
Public Safety	35,681	Sanitation	-
Public Works	36,126		
Culture and Recreation	2,549		
Total	$ 92,731	Total	$ 146,990

NOTE 3 - DETAILED NOTES ON FUNDS AND COMPONENT UNITS (continued)

A. ASSETS (continued)

4. Capital Assets (continued)

Component Unit

	Balance July 1, 2019	Capital Acquisitions	Sales or Other Dispositions	Balance June 30, 2020
Capital Assets Not Being Depreciated:				
Land	$ 8,089	$ -	$ -	$ 8,089
Construction in Progress	-	-	-	-
Total Capital Assets Not Being Depreciated	8,089	-	-	8,089
Capital Assets Being Depreciated:				
Infrastructure	-	-	-	-
Buildings and Improvements	10,000	-	-	10,000
Equipment, Furniture, and Vehicles	-	-	-	-
Total Capital Assets Being Depreciated	10,000	-	-	10,000
Less Accumulated Depreciation for:				
Infrastructure	-	-	-	-
Buildings and Improvements	(400)	(400)	-	(800)
Equipment, Furniture, and Vehicles	-	-	-	-
Total Accumulated Depreciation	(400)	(400)	-	(800)
Total Capital Assets Being Depreciated, Net	9,600	(400)	-	9,200
Capital Assets, Net	17,689	(400)	-	17,289

NOTE 3 - DETAILED NOTES ON FUNDS AND COMPONENT UNITS (continued)

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. 2009 Revenue Bond: The ordinance authorizing the issuance of the Water and Sewerage System Revenue Bond – Series 2009 – includes the following provisions:

   i. There shall be paid into the City of Arlington Water and Sewerage 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 sum of $582 per month to maintain a payment reserve of $69,792.

b. 2019 Revenue Bond: The ordinance authorizing the issuance of the Water and Sewerage System Revenue Bond – Series 2019 states that the bond is issued on parity with the Series 2009 bond. Accordingly, the above provisions are also applicable to the Series 2019 bond. This results in the requirement to establish a payment reserve for the 2019 Series bond in the amount of $10,008.

NOTE 3 - DETAILED NOTES ON FUNDS AND COMPONENT UNITS (continued)

B. LIABILITIES (continued)

1. Long-Term Debt (continued)

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

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020	Due Within One Year
Governmental Activities:					
Notes Payble:					
Magnolia Bank	$ -	$ 68,781	$ (16,698)	$ 52,083	$ 22,628
Totals Governmental Activities	-	68,781	(16,698)	52,083	22,628
Total Long-Term Debt	$ -	$ 68,781	$ (16,698)	$ 52,083	$ 22,628
Business-Type Activities:					
Revenue Bond - 2019	$ 108,800	$ -	$ (7,764)	$ 101,036	$ 7,938
Revenue Bond - 2009	1,182,454	-	(19,783)	1,162,671	20,778
Total Business-Type Activities	1,291,254	-	(27,547)	1,263,707	28,716
	$ 1,291,254	$ -	$ (27,547)	$ 1,263,707	$ 28,716
Total Long-Term Debt	$ 1,291,254	$ 68,781	$ (44,245)	$ 1,315,790	$ 51,344

The terms and purposes for the long-term obligations to Magnolia Bank are as follows:

> Note payable for (2) police vehicles, due in quarterly installments of $6,052 each beginning November 2019 through maturity in August 2022 at 3.61% interest. The original amount of the note was $68,781.

The terms and purposes for the long-term revenue bond obligations are as follows:

> Series 2019 Revenue Bond for sewage system improvements, due in monthly installments of $834 each beginning July 2019 through maturity in July 2059 at 2.125% interest. The original amount of the Bond was $269,000.

NOTE 3 - DETAILED NOTES ON FUNDS AND COMPONENT UNITS (continued)

B. LIABILITIES (continued)

1. Long-Term Debt (continued)

Series 2009 Revenue Bond for sewage system improvements, due in monthly installments of $5,816 each beginning July 2013 through maturity in July 2049 at 4.25% interest. The original amount of the Bond was $1,340,000.

Pursuant to the financing agreements, if the City fails to make any payment when due, or otherwise defaults on the agreement, outstanding amounts payable may be declared immediately to be due and payable, and, in the case of the revenue bonds, the lender may take control of the system.

The annual requirements to amortize the preceding obligations as of June 30, 2020, are as follows:

Year Ending	Governmental Activities			Business-Type Activities		
June 30	Principal	Interest	Total	Principal	Interest	Total
2021	$ 22,628	$ 1,580	$ 24,208	$ 28,716	$ 51,084	$ 79,800
2022	23,457	751	24,208	29,786	50,014	79,800
2023	5,998	55	6,053	30,900	48,900	79,800
2024	-	-	-	31,926	47,874	79,800
2025	-	-	-	33,256	46,544	79,800
2026-2030	-	-	-	185,973	213,027	399,000
2031-2035	-	-	-	186,522	176,193	362,715
2036-2040	-	-	-	213,805	135,155	348,960
2041-2045	-	-	-	264,449	84,511	348,960
2046-2050	-	-	-	258,374	23,268	281,642
2051-2055	-	-	-	-	-	-
2056-2060	-	-	-	-	-	-
Totals	$ 52,083	$ 2,386	$ 54,469	$ 1,263,707	$ 876,570	$ 2,140,277

Component Unit

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, 2020 was $120,633.

NOTE 3 - DETAILED NOTES ON FUNDS AND COMPONENT UNITS (continued)

B. LIABILITIES (continued)

2. Risk Management

The City is exposed to various forms of risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City 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.

Settled claims have not exceeded these coverages in any of the past three fiscal years.

NOTE 3 - DETAILED NOTES ON FUNDS AND COMPONENT UNITS (continued)

C. NET POSITION/FUND BALANCES

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

2019 T-SPLOST Capital Projects Fund	$	35,515
2018 T-SPLOST Capital Projects Fund		45,926
2018 SPLOST Capital Projects Fund		52,242
2013 SPLOST Capital Projects Fund		75,308
2012 SPLOST Capital Projects Fund		30,606
Water and Sewerage Enterprise Fund for Debt Service		88,589
Total Restricted Net Position/Fund Balance	$	328,186

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

Recreation	$	7,793
Fire Department		2,934
May Day Festival		5,695
May Day Scholarship		1,022
Grant Matching		141,252
Total Assigned Fund Balances	$	158,696

D. BALANCES AND TRANSFERS/PAYMENTS WITHIN THE REPORTING ENTITY (continued)

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.”

NOTE 3 - DETAILED NOTES ON FUNDS AND COMPONENT UNITS (continued)

D. BALANCES AND TRANSFERS/PAYMENTS WITHIN THE REPORTING ENTITY (continued)

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
2012 SPLOST Fund	-	2,234	-	-	2,234
Total Due From	$ -	$ 2,250	$ 2,730	$ 16	$ 4,996

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:					
	Governmental Activities			Business-Type Activities		
	General Fund	2016 CDBG Fund	2013 SPLOST Fund	Water & Sewerage Fund	Sanitation Fund	Total Transfers In
Transfers In and Contributions:						
Business-Type Activities:						
Water & Sewerage Fund	3,717	-	-	-	9,027	12,744
Water & Sewerage Fund (contributions)	-	500,000	16,610	-	-	516,610
Sanitation Fund	11,226	-	-	-	-	11,226
Total Business-Type Activities	14,943	500,000	16,610	-	9,027	540,580
Total Transfers Out	$ 14,943	$ 500,000	$ 16,610	$ -	$ 9,027	$ 540,580

NOTE 3 - DETAILED NOTES ON FUNDS AND COMPONENT UNITS (continued)

D. BALANCES AND TRANSFERS/PAYMENTS WITHIN THE REPORTING ENTITY (continued)

2. Transfers and Payments (continued)

The contribution from the 2016 CDBG Fund to the Water and Sewerage Fund are from the accumulation of costs in prior fiscal years and the current year related to the subject matter (sewer facilities) of the CDBG project. Those costs were accumulated as construction in progress of the governmental activities and were transferred to the business-type activities as of April 1, 2020, the date on which the facilities were deemed placed into service.

The contribution from the 2013 SPLOST Fund to the Water and Sewerage Fund is from costs incurred during the current year related to the 2016 CDBG project. The costs were accumulated as construction in progress of the governmental activities and were transferred to business-type activities as of April 1, 2020, the date on which the facilities were deemed placed into service.

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 Code 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 participant's 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.

NOTE 4 - RETIREMENT PLANS (continued)

B. DEFERRED COMPENSATION PLAN (continued)

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, 2020, the contributions of the employees and City amounted to $7,224 and $3,583 respectively. No plan forfeitures are included in the City's pension expense for the year and the City had no liability for contributions at year end.

NOTE 5 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

A. LITIGATION

No litigation is pending (or has been threatened) against the City as of June 30, 2020.

NOTE 5 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES (continued)

B. CONTINGENCIES

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

C. GRANTS

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

NOTE 6 - SUBSEQUENT EVENTS

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

NOTE 7 – RECLASSIFICATIONS

In the supplementary information presented, amounts from the fiscal year June 30, 2019 financial statements have been reclassified to conform to the fiscal year June 30, 2020 presentation.

CITY OF FORT GAINES, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BLAANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	Original	Final	Actual Amounts	Variance With Final Budget
REVENUES				
Taxes	$ 536,500	$ 536,500	$ 564,774	$ 28,274
Licenses and Permits	21,000	21,000	14,354	(6,646)
Fines and Forfeitures	15,000	15,000	9,963	(5,037)
Charges for Services	4,450	4,450	3,486	(964)
Intergovernmental	500	500	53,458	52,958
Investment Income	800	800	1,721	921
Contributions and Donations from Private Sources	-	-	470	470
Miscellaneous	14,800	14,800	11,799	(3,001)
Total Revenues	593,050	593,050	660,025	66,975
EXPENDITURES				
Current:				
General Government	136,465	136,465	156,989	(20,524)
Judicial	20,850	20,850	21,721	(871)
Public Safety	226,775	226,775	250,413	(23,638)
Public Works	178,060	178,060	195,160	(17,100)
Culture and Recreation	30,400	30,400	18,349	12,051
Total Expenditures	592,550	592,550	642,632	(50,082)
Excess (Deficiency) of Revenues Over Expenditures	500	500	17,393	16,893
OTHER FINANCING SOURCES (USES)				
Re-approriated Fund Balance	15,000	15,000	-	(15,000)
Reimbursement for Damaged Property	-	-	13,286	13,286
Transfers In	-	-	-	-
Transfers Out	(15,500)	(15,500)	(14,943)	557
Total Other Financing Sources (Uses)	(500)	(500)	(1,657)	1,157
Net Change in Fund Balances	-	-	15,736	15,736
Fund Balances - Beginning of Year	312,903	312,903	312,903	-
End of Year	$ 312,903	$ 312,903	$ 328,639	$ 15,736

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

CITY OF ARLINGTON, GEORGIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2020

A. BUDGETARY INFORMATION

Annual budgets have been adopted on a basis consistent with generally accepted accounting principles (GAAP).

B. EXPENDITURES OVER APPROPRIATIONS

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

General Government	$	20,524
Judicial		871
Public Safety		23,638
Public Works		17,100

CITY OF ARLINGTON, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEETS

	AS OF JUNE 30, 2020	AS OF JUNE 30, 2019
ASSETS		
Cash and Cash Equivalents	$ 317,174	$ 257,494
Investment in Certificate of Deposit	1,958	1,929
Property Taxes Receivable	7,473	6,140
Motor Vehicle Taxes Receivable	993	650
Mobile Home Taxes Receivable	65	239
Title Ad-valorem Tax Receivable	1,377	1,495
Local Option Sales Tax Receivable	16,617	18,000
Energy Excise Tax Receivable	879	1,730
Alcoholic Beverages Taxes Receivable	1,503	1,376
Franchise Taxes Receivable	437	393
Intangible Tax Receivable	-	-
Railroad Equipment Tax Receivable	-	3,870
Fines Receivable	251	871
Insurance Recovery Receivable	-	18,134
Due from State Government-GEFA	-	28,935
Due from 2016 CDBG Fund	-	3
Total Assets	348,727	341,259
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
Liabilities:		
Accounts Payable	10,089	19,954
Payroll Taxes and Withholdings Payable	72	915
Due to 2018 SPLOST Fund	16	16
Due to 2013 SPLOST Fund	16	16
Due to 2012 SPLOST Fund	2,730	2,730
Total Liabilities	12,923	23,631
Deferred Inflows of Resources:		
Unavailable Revenue - Property Tax	7,165	4,725
Total Deferred Inflows of Resources	7,165	4,725
Fund Balance:		
Fund Balance Assigned For:		
Recreation	7,793	7,023
Fire	2,934	2,446
May Day	5,695	5,840
May Day Scholarship	1,022	1,022
Grant Matching	141,252	85,419
Total Assigned Fund Balance	158,696	101,750
Unassigned	169,943	211,153
Total Fund Balance	328,639	312,903
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 348,727	$ 341,259

CITY OF ARLINGTON, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE

	FOR THE YEARS ENDED JUNE 30,	
	2020	**2019**
REVENUES		
Taxes	$ 564,774	$ 552,360
Licenses and Permits	14,354	18,874
Fines and Forfeitures	9,963	10,199
Charges for Services	3,486	2,765
Intergovernmental	53,458	59,282
Investment Income	1,721	1,762
Contributions and Donations from Private Sources	470	-
Miscellaneous	11,799	16,976
Total Revenues	660,025	662,218
EXPENDITURES		
Current:		
General Government	156,989	146,368
Judicial	21,721	20,004
Public Safety	250,413	220,520
Public Works	195,160	194,605
Culture and Recreation	18,349	60,127
Total Expenditures	642,632	641,624
Excess (Deficiency) of Revenues Over Expenditures	17,393	20,594
OTHER FINANCING SOURCES (USES)		
Reimbursement for Damaged Property	13,286	81,216
Transfers In	-	14
Transfers Out	(14,943)	(8,590)
Total Other Financing Sources (Uses)	(1,657)	72,640
Net Change in Fund Balances	15,736	93,234
Fund Balances - Beginning of Year	312,903	219,669
End of Year	$ 328,639	$ 312,903

CITY OF ARLINGTON, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES

	FOR THE YEARS ENDED JUNE 30,	
	2020	**2019**
TAXES		
Property Taxes	$ 251,600	$ 240,966
Local Option Sales Taxes	101,465	103,388
Alcoholic Beverage Taxes	16,355	16,876
Insurance Premiums Tax	112,375	105,792
Franchise Taxes	75,837	72,314
Excise Tax on Energy	5,962	7,511
Railroad Equipment Tax	-	3,870
Financial Institutions Taxes	1,000	1,000
Recording and Transfer Taxes	180	643
Total Taxes	564,774	552,360
LICENSES AND PERMITS		
Business Licenses	12,354	14,374
Other Licenses and Permits	2,000	4,500
Total Licenses and Permits	14,354	18,874
FINES AND FORFEITURES		
Traffic Fines	9,963	10,199
CHARGES FOR SERVICES		
Recreation Charges	3,256	2,520
Qualifying Fees	162	-
Police Services	68	245
Total Charges for Services	3,486	2,765
INTERGOVERNMENTAL REVENUE		
Federal Government	13,115	28,935
State Government	27,992	26,670
Other Local Governments	10,000	2,500
Housing Authority - In Lieu of Taxes	2,351	1,177
Total Intergovernmental Revenue	53,458	59,282
INVESTMENT INCOME		
Interest Earnings	1,721	1,762
CONTRIBUTIONS AND DONATIONS FROM PRIVATE SOURCES		
Donations	470	-
Total Contributions and Donations from Private Sources	470	-
MISCELLANEOUS REVENUE		
Rents and Deposits	10,189	11,315
Penalties	900	3,945
Other	710	1,716
Total Miscellaneous Revenue	11,799	16,976
GRAND TOTAL REVENUES	$ 660,025	$ 662,218

CITY OF ARLINGTON, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENTS OF EXPENDITURES

	FOR THE YEARS ENDED JUNE 30,	
	2020	**2019**
GENERAL GOVERNMENT		
Personal Services and Employee Benefits	$ 96,058	$ 92,041
Purchased/Contracted Services	48,012	41,651
Supplies	8,399	6,088
Capital Outlay - Other	4,520	4,941
Other Costs	-	1,647
Total General Government	156,989	146,368
JUDICIAL - RECORDER COURT		
Personal Services and Employee Benefits	18,823	19,151
Purchased/Contracted Services	1,983	550
Supplies	915	303
Total Judicial - Recorder Court	21,721	20,004
PUBLIC SAFETY		
Police Department:		
Personal Services and Employee Benefits	178,457	155,987
Purchased/Contracted Services	24,694	26,848
Supplies	22,451	15,919
Capital Outlay - Other	491	2,409
Other Costs	166	-
Total Police Department	226,259	201,163
Fire Department:		
Personal Services and Employee Benefits	10,890	9,252
Purchased/Contracted Services	4,531	5,221
Supplies	2,914	1,519
Capital Outlay - Other	5,219	2,765
Other Costs	600	600
Total Fire Department	24,154	19,357
Total Public Safety	250,413	220,520
PUBLIC WORKS - STREETS AND SANITATION		
Personal Services and Employee Benefits	52,932	59,358
Purchased/Contracted Services	80,250	62,549
Supplies	58,345	69,731
Capital Outlay - Other		485
Other Costs	3,633	2,482
Total Public Works - Streets and Sanitation	195,160	194,605
CULTURE AND RECREATION		
Purchased/Contracted Services	8,616	8,000
Supplies	7,249	12,013
Other Costs	2,484	40,114
Total Culture and Recreation	18,349	60,127
GRAND TOTAL EXPENDITURES	$ 642,632	$ 641,624

CITY OF ARLINGTON, GEORGIA
2016 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) - SEWER FACILITIES
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS

	AS OF JUNE 30,	
	2020	**2019**
ASSETS		
Cash and Cash Equivalents	$ -	$ 1,003
Intergovernmental Receivable	-	-
Total Assets	-	1,003
LIABILITIES AND FUND BALANCE		
Liabilities:		
Due to General Fund	-	3
Total Liabilities	-	3
Fund Balance:		
Restricted for CDBG Projects	-	1,000
Total Fund Balance	-	1,000
Total Liabilities and Fund Balance	$ -	$ 1,003

CITY OF ARLINGTON, GEORGIA
2016 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,	
	2020	**2019**
REVENUES		
Federal Government:		
Georgia Department of Community Affairs-CDBG	$ 450,635	$ 4,906
Total Revenues	450,635	4,906
EXPENDITURES		
Capital Outlay:		
Engineering - Water/Sewer Improvements	13,219	2,300
Sewer Facilities	423,443	-
Administration	14,973	2,606
Total Expenditures	451,635	4,906
Excess (Deficiency) of Revenues Over Expenditures	(1,000)	-
OTHER FINANCING SOURCES (USES)		
Transfers In	-	-
Transfers Out	-	-
Total Other Financing Sources (Uses)	-	-
Net Change in Fund Balance	(1,000)	-
Fund Balance - Beginning of Year	1,000	1,000
Fund Balance - End of Year	$ -	$ 1,000

CITY OF ARLINGTON, GEORGIA
2016 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 MARCH 31, 2020

	CDBG Activity Number	Latest Approved Budget (CDBG Funds)	Accumulative CDBG Expenditures To Date	Questioned Costs
REVENUES				
Federal Government:				
Georgia Department of Community Affairs-				
CDBG Grant		$ 500,000	$ 500,000	
Total Revenues		500,000	500,000	
EXPENDITURES				
Engineering - Water/Sewer Improvements	T-03J-00	46,557	46,557	$ -
Sewer Facilities	P-03J-02	423,443	423,443	-
General Administration	A-21A-00	30,000	30,000	-
Contingencies	C-022-00	-	-	-
Total Expenditures		500,000	500,000	$ -
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 Project		-	-	
Fund Balance - End of Year		$ -	$ -	

CITY OF ARLINGTON, GEORGIA
2016 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) - SEWER FACILITIES
SOURCE AND APPLICATION OF FUNDS SCHEDULE
CDBG PROGRAM NO. 16p-x-019-2-55829
FOR THE CUMULATIVE PERIOD ENDED JUNE 30, 2020

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	500,000
Less: CDBG Funds Expended by Recipient	(500,000)
Amount of Fiscal Year 2016 CDBG Funds Held by Recipient	$ -

CITY OF ARLINGTON, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF JUNE 30, 2020

	Special Revenue Fund	Capital Projects		
	2014 CHIP	2019 TSPLOST	2018 TSPLOST	2018 SPLOST
ASSETS				
Cash and Cash Equivalents	$ -	$ 32,852	$ 43,642	$ 49,764
Intergovernmental Receivable	-	2,663	2,284	2,462
Due from Other Funds	-	-	-	16
Total Assets	-	35,515	45,926	52,242
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	-	-	-	-
Due to Other Funds	-	-	-	-
Total Liabilities	-	-	-	-
Fund Balance:				
Restricted for CHIP Projects	-	-	-	-
Restricted for TSPLOST Projects	-	35,515	45,926	-
Restricted for SPLOST Projects	-	-	-	52,242
Restricted for CDBG Projects	-	-	-	-
Total Fund Balance	-	35,515	45,926	52,242
Total Liabilities and Fund Balance	$ -	$ 35,515	$ 45,926	$ 52,242

CITY OF ARLINGTON, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF JUNE 30, 2020

Funds			
2013 SPLOST	**2012 SPLOST**	**2015 CDBG**	**Total Nonmajor Governmental Funds**
$ 70,361	$ 30,110	$ -	$ 226,729
2,697	2,730	-	12,836
2,250	-	-	2,266
75,308	32,840	-	241,831
-	-	-	-
-	2,234	-	2,234
-	2,234	-	2,234
-	-	-	-
-	-	-	81,441
75,308	30,606	-	158,156
-	-	-	-
75,308	30,606	-	239,597
$ 75,308	$ 32,840	$ -	$ 241,831

CITY OF ARLINGTON, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Special Revenue Fund	Capital Projects		
	2014 CHIP	2019 TSPLOST	2018 TSPLOST	2018 SPLOST
REVENUES				
Intergovernmental	$ -	$ 30,687	$ 27,867	$ 29,701
Investment Income	-	62	169	296
Total Revenues	-	30,749	28,036	29,997
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Works	-	-	-	-
Capital Outlay	-	-	-	68,781
Debt Service	-	-	-	18,157
Total Expenditures	-	-	-	86,938
Excess (Deficiency) of Revenues Over Expenditu	-	30,749	28,036	(56,941)
OTHER FINANCING SOURCES (USES)				
Face Amount of Long-Term Debt	-	-	-	68,781
Reimbursement for Damaged Property	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	68,781
Net Change in Fund Balance	-	30,749	28,036	11,840
Fund Balance - Beginning of Year	-	4,766	17,890	40,402
Fund Balance - End of Year	$ -	$ 35,515	$ 45,926	$ 52,242

CITY OF ARLINGTON, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

Funds			
2013 SPLOST	**2012 SPLOST**	**2015 CDBG**	**Total Nonmajor Governmental Funds**
$ 34,237	$ -	$ -	$ 122,492
489	159	-	1,175
34,726	159	-	123,667
509	-		509
-	8,736		8,736
41,813	-	-	110,594
-	-	-	18,157
42,322	8,736	-	137,996
(7,596)	(8,577)	-	(14,329)
-	-	-	68,781
-	11,559	-	11,559
-	-	-	-
-	-	-	-
-	11,559	-	80,340
(7,596)	2,982	-	66,011
82,904	27,624	-	173,586
$ 75,308	$ 30,606	$ -	$ 239,597

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

	AS OF JUNE 30,	
	2020	**2019**
ASSETS		
Cash and Cash Equivalents	$ -	$ -
Total Assets	-	-
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	-	-
Total Liabilities	-	-
Fund Balance:		
Restricted for Law Enforcement Purposes	-	-
Total Fund Balance	-	-
Total Liabilities and Fund Balance	$ -	$ -

CITY OF ARLINGTON, GEORGIA
COMMUNITY HOME INVESTMENT PROGRAM (CHIP)
SPECIAL REVENUE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE

	FOR THE YEARS ENDED JUNE 30,	
	2020	**2019**
REVENUES		
Federal Government:		
Georgia Housing and Finance Authority-		
Community Home Investment Program	$ -	$ 22,427
Total Revenues	-	22,427
EXPENDITURES		
Housing and Development:		
Rehabilitation of Private Properties	-	22,427
Total Expenditures	-	22,427
Excess (Deficiency) of Revenues Over Expenditures	-	-
OTHER FINANCING SOURCES (USES)		
Transfers In	-	-
Transfers Out	-	(14)
Total Other Financing Sources (Uses)	-	(14)
Net Change in Fund Balance	-	(14)
Fund Balance - Beginning of Year	-	14
Fund Balance - End of Year	$ -	$ -

CITY OF ARLINGTON, GEORGIA
2014 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)	Accumulative CDBG Expenditures To Date	Questioned Costs
REVENUES				
Federal Government:				
Georgia Housing and Finance Authority-				
Community Home Investment Program		$ 306,000	$ 306,000	
Total Revenues		306,000	306,000	
EXPENDITURES				
Rehabilitation of Private Properties		300,000	300,000	-
Administration		6,000	6,000	-
Total Expenditures		306,000	306,000	$ -
Excess (Deficiency) of Revenues Over Expenditures		-	-	
Fund Balance - Beginning of Project		-	-	
Fund Balance - End of Year		$ -	$ -	

CITY OF ARLINGTON, GEORGIA
2014 COMMUNITY HOME INVESTMENT PROGRAM (CHIP)
SOURCE AND APPLICATION OF FUNDS SCHEDULE
CHIP PROGRAM NO. 2014-903
FOR THE CUMULATIVE PERIOD ENDED JUNE 30, 2020

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 DCA	306,000
Less: CDBG Funds Expended by Recipient	(306,000)
Amount of Fiscal Year 2014 CHIP Funds Held by Recipient	$ -

CITY OF ARLINGTON, GEORGIA
2019 ARLINGTON TSPLOST
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS

	AS OF JUNE 30,	
	2020	**2019**
ASSETS		
Cash and Cash Equivalents	$ 32,852	$ -
TSPLOST Receivable	2,663	4,766
Total Assets	35,515	4,766
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	-	-
Total Liabilities	-	-
Fund Balance:		
Restricted for TSPLOST Projects	35,515	4,766
Total Fund Balance	35,515	4,766
Total Liabilities and Fund Balance	$ 35,515	$ 4,766

CITY OF ARLINGTON, GEORGIA
2019 ARLINGTON TSPLOST
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE

	FOR THE YEARS ENDED JUNE 30,	
	2020	**2019**
REVENUES		
Calhoun County, Georgia:		
Transportation Special Purpose Local Option Sales Tax	$ 30,687	$ 4,766
Investment Income	62	-
Total Revenues	30,749	4,766
EXPENDITURES		
Capital Outlay	-	-
Total Expenditures	-	-
Excess (Deficiency) of Revenues Over Expenditures	30,749	4,766
Fund Balance - Beginning of Year	4,766	-
Fund Balance - End of Year	$ 35,515	$ 4,766

CITY OF ARLINGTON, GEORGIA
2018 ARLINGTON TSPLOST
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS

	AS OF JUNE 30,	
	2020	**2019**
ASSETS		
Cash and Cash Equivalents	$ 43,642	$ 15,526
TSPLOST Receivable	2,284	2,364
Total Assets	45,926	17,890
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	-	-
Total Liabilities	-	-
Fund Balance:		
Restricted for TSPLOST Projects	45,926	17,890
Total Fund Balance	45,926	17,890
Total Liabilities and Fund Balance	$ 45,926	$ 17,890

CITY OF ARLINGTON, GEORGIA
2018 ARLINGTON TSPLOST
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE

	FOR THE YEARS ENDED JUNE 30,	
	2020	**2019**
REVENUES		
Early County, Georgia:		
Transportation Special Purpose Local Option Sales Tax	$ 27,867	$ 17,885
Investment Income	169	5
Total Revenues	28,036	17,890
EXPENDITURES		
Capital Outlay	-	-
Total Expenditures	-	-
Excess (Deficiency) of Revenues Over Expenditures	28,036	17,890
Fund Balance - Beginning of Year	17,890	-
Fund Balance - End of Year	$ 45,926	$ 17,890

CITY OF ARLINGTON, GEORGIA
2018 ARLINGTON SPLOST
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS

	AS OF JUNE 30,	
	2020	**2019**
ASSETS		
Cash and Cash Equivalents	$ 49,764	$ 37,776
SPLOST Receivable	2,462	2,610
Due from General Fund	16	16
Total Assets	52,242	40,402
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	-	-
Total Liabilities	-	-
Fund Balance:		
Restricted for SPLOST Projects	52,242	40,402
Total Fund Balance	52,242	40,402
Total Liabilities and Fund Balance	$ 52,242	$ 40,402

CITY OF ARLINGTON, GEORGIA
2018 ARLINGTON SPLOST
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE

	FOR THE YEARS ENDED JUNE 30,	
	2020	**2019**
REVENUES		
Early County, Georgia:		
Special Purpose Local Option Sales Tax	$ 29,701	$ 26,802
Investment Income	296	176
Total Revenues	29,997	26,978
EXPENDITURES		
Capital Outlay		
2018 Ford F-150 Police Vehicle	30,172	-
2018 Dodge Charger Police Vehicle	38,609	-
Total Capital Outlay	68,781	-
Debt Service:		
Principal Retirement	16,698	-
Interest	1,459	-
Total Debt Service	18,157	-
Total Expenditures	86,938	-
Excess (Deficiency) of Revenues Over Expenditures	(56,941)	26,978
OTHER FINANCING SOURCES (USES)		
Face Amount of Long-Term Debt	68,781	-
Total Other Financing Source (Uses)	68,781	-
Net Change in Fund Balance	11,840	26,978
Fund Balance - Beginning of Year	40,402	13,424
Fund Balance - End of Year	$ 52,242	$ 40,402

CITY OF ARLINGTON, GEORGIA
2013 ARLINGTON SPLOST
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS

	AS OF JUNE 30,	
	2020	**2019**
ASSETS		
Cash and Cash Equivalents	$ 70,361	$ 78,178
SPLOST Receivable	2,697	2,476
Due from General Fund	16	16
Due from 2012 SPLOST Fund	2,234	2,234
Total Assets	75,308	82,904
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	-	-
Total Liabilities	-	-
Fund Balance:		
Restricted for SPLOST Projects	75,308	82,904
Total Fund Balance	75,308	82,904
Total Liabilities and Fund Balance	$ 75,308	$ 82,904

CITY OF ARLINGTON, GEORGIA
2013 ARLINGTON SPLOST
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE

	FOR THE YEARS ENDED JUNE 30,	
	2020	**2019**
REVENUES		
Calhoun County, Georgia:		
Special Purpose Local Option Sales Tax	$ 34,237	$ 35,863
Investment Income	489	586
Total Revenues	34,726	36,449
EXPENDITURES		
Current:		
General Government:		
Capital Outlay-Other	509	-
Public Safety-Police:		
Capital Outlay-Other	-	465
Total Current	509	465
Capital Outlay:		
Building Improvements	15,166	19,870
Sewer Facilities	16,610	-
Mosquito Control Equipment	10,037	-
Total Capital Outlay	41,813	19,870
Total Expenditures	42,322	20,335
Excess (Deficiency) of Revenues Over Expenditures	(7,596)	16,114
Fund Balance - Beginning of Year	82,904	66,790
Fund Balance - End of Year	$ 75,308	$ 82,904

CITY OF ARLINGTON, GEORGIA
2012 ARLINGTON SPLOST
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS

	AS OF JUNE 30,	
	2020	**2019**
ASSETS		
Cash and Cash Equivalents	$ 30,110	$ 27,128
Due from General Fund	2,730	2,730
Total Assets	32,840	29,858
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	-	-
Due to 2013 SPLOST Fund	2,234	2,234
Total Liabilities	2,234	2,234
Fund Balance:		
Restricted for SPLOST Projects	30,606	27,624
Total Fund Balance	30,606	27,624
Total Liabilities and Fund Balance	$ 32,840	$ 29,858

CITY OF ARLINGTON, GEORGIA
2012 ARLINGTON SPLOST
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE

	FOR THE YEARS ENDED JUNE 30,	
	2020	**2019**
REVENUES		
Early County, Georgia:		
Special Purpose Local Option Sales Tax	$ -	$ -
Investment Income	159	329
Total Revenues	159	329
EXPENDITURES		
Current:		
Public Works:		
Capital Outlay-Other	8,736	-
Total Current	8,736	-
Capital Outlay:		
Water & Sewerage Equipment	-	11,559
Zero Turn Mower	-	7,249
Building Improvements	-	825
Total Capital Outlay	-	19,633
Total Expenditures	8,736	19,633
Excess (Deficiency) of Revenues Over Expenditures	(8,577)	(19,304)
OTHER FINANCING SOURCES (USES)		
Reimbursement for Damaged Property	11,559	-
Total Other Financing Source (Uses)	11,559	-
Net Change in Fund Balance	2,982	(19,304)
Fund Balance - Beginning of Year	27,624	46,928
Fund Balance - End of Year	$ 30,606	$ 27,624

CITY OF ARLINGTON, GEORGIA
2015 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) - REDEVELOPMENT
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS

	AS OF JUNE 30,	
	2020	**2019**
ASSETS		
Cash and Cash Equivalents	$ -	$ -
Intergovernmental Receivable	-	-
Total Assets	-	-
LIABILITIES AND FUND BALANCE		
Liabilities:		
Due to General Fund	-	-
Total Liabilities	-	-
Fund Balance:		
Restricted for CDBG Projects	-	-
Total Fund Balance	-	-
Total Liabilities and Fund Balance	$ -	$ -

CITY OF ARLINGTON, GEORGIA
2015 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) - REDEVELOPMENT
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE

	FOR THE YEARS ENDED JUNE 30,	
	2020	**2019**
REVENUES		
Federal Government:		
Georgia Department of Community Affairs-CDBG	$ -	$ 5,000
Total Revenues	-	5,000
EXPENDITURES		
Capital Outlay:		
ED - Public Facilities and Improvements	-	-
Engineering - Commercial/Industrial Infrastructure Development	-	-
Administration	-	5,000
Total Expenditures	-	5,000
Excess (Deficiency) of Revenues Over Expenditures	-	-
OTHER FINANCING SOURCES (USES)		
Transfers In	-	-
Transfers Out	-	-
Total Other Financing Sources (Uses)	-	-
Net Change in Fund Balance	-	-
Fund Balance - Beginning of Year	-	-
Fund Balance - End of Year	$ -	$ -

CITY OF ARLINGTON, GEORGIA
2015 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 JANUARY 31, 2019

	CDBG Activity Number	Latest Approved Budget (CDBG Funds)	Accumulative CDBG Expenditures To Date	Questioned Costs
REVENUES				
Federal Government:				
Georgia Department of Community Affairs-				
CDBG Grant		$ 270,856	$ 270,856	
Total Revenues		270,856	270,856	
EXPENDITURES				
ED - Public Facilities and Improvements	E-17B-00	190,499	190,499	$ -
Engineering - Commercial/Industrial				-
Infrastructure Development	T-17B-00	50,357	50,357	-
Administration	A-21A-00	30,000	30,000	-
Total Expenditures		270,856	270,856	$ -
Excess (Deficiency) of Revenues Over Expenditures		-	-	
OTHER FINANCING SOURCES (USES)				
Transfers In		-	20	
Transfers Out		-	(20)	
Total Other Financing Sources (Uses)		-	-	
Net Change in Fund Balance		-	-	
Fund Balance - Beginning of Project		-	-	
Fund Balance - End of Year		$ -	$ -	

CITY OF ARLINGTON, GEORGIA
2015 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, 2020

Total Fiscal Year 2015 CDBG Funds Awarded Recipient	$ 500,000
Less: Deobligations	(229,144)
Adjusted Total Fiscal Year 2015 CDBG Funds Awarded Recipient	270,856
Total Amount Drawndown by Recipient from DCA	270,856
Less: CDBG Funds Expended by Recipient	(270,856)
Amount of Fiscal Year 2015 CDBG Funds Held by Recipient	$ -

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

	AS OF JUNE 30,	
	2020	**2019**
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 128,760	$ 160,881
Investment in Certificates of Deposit	35,428	33,192
Accounts Receivable	44,256	35,583
Restricted Assets:		
Cash and Cash Equivalents	35,323	35,085
Total Current Assets	243,767	264,741
Non-current Assets:		
Restricted Assets:		
Investment in Certificate of Deposit-		
Reserve and Renewal Extension Fund	79,800	79,800
Capital Assets:		
Water and Sewer System	8,341,135	7,383,886
Machinery and Equipment	75,596	75,596
	8,416,731	7,459,482
Less Accumulated Depreciation	(2,576,023)	(2,429,033)
Net Capital Assets	5,840,708	5,030,449
Deposits	200	200
Total Non-current Assets	5,920,708	5,110,449
Total Assets	$ 6,164,475	$ 5,375,190

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

	AS OF JUNE 30,	
	2020	**2019**
LIABILITIES AND NET POSITION		
Current Liabilities:		
Accounts Payable	$ 1,229	$ 26,015
Payable from Restricted Assets:		
Revenue Bond - 2019 Series	7,938	7,764
Revenue Bond - 2009 Series	20,778	19,783
Customer Deposits	26,534	21,265
Customer Deposits	20,884	26,248
Total Current Liabilities	77,363	101,075
Non-current Liabilities:		
Revenue Bond - 2019 Series	93,098	101,036
Revenue Bond - 2009 Series	1,141,893	1,162,671
Total Non-current Liabilities	1,234,991	1,263,707
Total Liabilities	1,312,354	1,364,782
Net Position:		
Net Investment in Capital Assets	4,577,001	3,739,195
Restricted	88,589	93,620
Unrestricted	186,531	177,593
Total Net Positiion	4,852,121	4,010,408
Total Liabilities and Net Position	$ 6,164,475	$ 5,375,190

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,	
	2020	**2019**
OPERATING REVENUES		
Water and Sewerage Charges	$ 388,961	$ 422,825
Cut-on and Tap Fees	5,443	7,702
Penalties and Miscellaneous	10,920	9,544
Total Operating Revenues	405,324	440,071
OPERATING EXPENSES		
Personal Services and Employee Benefits	75,094	81,007
Purchased/Contracted Services	88,138	97,991
Supplies	172,071	191,420
Other Costs	1,090	2,615
Depreciation	146,990	143,636
Total Operating Expenses	483,383	516,669
Operating Income (Loss)	(78,059)	(76,598)
NON-OPERATING INCOME AND EXPENSES		
Interest Income	3,782	3,345
Interest Expense	(52,253)	(50,699)
Total Non-Operating Income and Expenses	(48,471)	(47,354)
Net Income Before Contributions and Transfers	(126,530)	(123,952)
CONTRIBUTIONS		
2012 Arlington SPLOST Capital Projects Fund	-	11,559
2013 Arlington SPLOST Capital Projects Fund	16,610	-
USDA Rural Development	438,889	-
2016 CDBG Capital Projects Fund	500,000	-
Total Contributions	955,499	11,559
TRANSFERS		
Transfers In	12,744	10,326
Transfers Out	-	-
Net Transfers	12,744	10,326
Net Income (Loss)	841,713	(102,067)
Net Position - Beginning of Year	4,010,408	4,112,475
Net Position - End of Year	$ 4,852,121	$ 4,010,408

CITY OF ARLINGTON, GEORGIA
WATER AND SEWERAGE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS

	FOR THE YEARS ENDED JUNE 30,	
	2020	**2019**
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	$ 396,556	$ 441,347
Cash Paid to Employees for Services	(51,381)	(57,045)
Cash Paid to Suppliers	(309,798)	(299,188)
Net Cash Provided (Used) by Operating Activities	35,377	85,114
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers From Other Funds	12,744	10,326
Transfers to Other Funds	-	-
Net Cash Provided (Used) by Non-Capital Financing Activities	12,744	10,326
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds of Long-Term Debt	-	108,800
Contributed Capital USDA Rural Development	438,889	-
Principal Paid on Revenue Bonds	(27,547)	(19,093)
Interest Paid on Revenue Bonds	(52,253)	(50,699)
Acquisition and Construction of Capital Assets	(440,639)	(127,251)
Net Cash Provided (Used) by Capital and Related Financing Activities	(81,550)	(88,243)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Income	3,782	3,345
Certificate of Deposit-Interest Reinvestment	(2,236)	(1,443)
Net Cash Provided (Used) by Investing Activities	1,546	1,902
Net Increase (Decrease) in Cash and Cash Equivalents	(31,883)	9,099
Cash and Cash Equivalents - Beginning of Year	195,966	186,867
Cash and Cash Equivalents - End of Year	$ 164,083	$ 195,966
RECONCILIATION OF CASH AND CASH EQUIVALENTS ON STATEMENT OF NET POSITION		
Cash and Cash Equivalents	128,760	160,881
Cash and Cash Equivalents - Restricted	35,323	35,085
Total Cash and Cash Equivalents	$ 164,083	$ 195,966

CITY OF ARLINGTON, GEORGIA
WATER AND SEWERAGE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS

	FOR THE YEARS ENDED JUNE 30,	
	2020	**2019**
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	$ (78,059)	$ (76,598)
Provided (Used) by Operating Activities:		
Depreciation	146,990	143,636
(Increase) Decrease in Accounts Receivable	(8,673)	(258)
Increase (Decrease) in Accounts Payable	(24,786)	16,800
Increase (Decrease) in Customer Deposits	(95)	1,534
Total Adjustments	113,436	161,712
Net Cash Provided (Used) by Operating Activities	$ 35,377	$ 85,114
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Contributed Capital-2012 Arlington SPLOST Capital Projects Fund	$ -	$ 11,559
Contributed Capital-2016 CDBG Capital Projects Fund	500,000	-
Contributed Capital-2013 Arlington SPLOST Capital Projects Fund	16,610	-
Total Noncash Investing, Capital, and Financing Activities	$ 516,610	$ 11,559

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

	AS OF JUNE 30, 2020	AS OF JUNE 30, 2019
ASSETS		
Current Assets:		
Accounts Receivable	$ 14,608	$ 10,133
Total Current Assets	14,608	10,133
Non-current Assets:		
Total Non-current Assets	-	-
Total Assets	14,608	10,133
LIABILITIES AND NET POSITION		
Current Liabilities:		
Accounts Payable	10,155	10,805
Total Current Liabilities	10,155	10,805
Non-current Liabilities:		
Total Non-current Liabilities	-	-
Total Liabilities	10,155	10,805
Net Position:		
Investment in Capital Assets	-	-
Restricted	-	-
Unrestricted	4,453	(672)
Total Net Positiion	4,453	(672)
Total Liabilities and Net Position	$ 14,608	$ 10,133

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

	FOR THE YEARS ENDED JUNE 30,	
	2020	**2019**
OPERATING REVENUES		
Sanitation Fees	$ 126,369	$ 118,281
Total Operating Revenues	126,369	118,281
OPERATING EXPENSES		
Purchased/Contracted Services	123,443	119,344
Total Operating Expenses	123,443	119,344
Operating Income (Loss)	2,926	(1,063)
Net Income (Loss) Before Contributions and Tranfers	2,926	(1,063)
NON-OPERATING INCOME AND EXPENSES		
Total Non-Operating Income and Expenses	-	-
Net Income Before Contributions and Transfers	2,926	(1,063)
CONTRIBUTIONS		
Total Contributions	-	-
TRANSFERS		
Transfers In	11,226	8,590
Transfers Out	(9,027)	(10,326)
Net Transfers	2,199	(1,736)
Net Income (Loss)	5,125	(2,799)
Net Position - Beginning of Year	(672)	2,127
Net Position - End of Year	$ 4,453	$ (672)

CITY OF ARLINGTON, GEORGIA
SANITATION ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS

	FOR THE YEARS ENDED JUNE 30, 2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	$ 121,894	$ 118,661
Cash Paid to Suppliers	(124,093)	(116,925)
Net Cash Provided (Used) by Operating Activities	(2,199)	1,736
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Tranfers From Other Funds	11,226	8,590
Transfers To Other Fund	(9,027)	(10,326)
Net Cash Provided (Used) by Non-Capital Financing Activities	2,199	(1,736)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Net Cash Provided (Used) by Capital and 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 STATEMENT OF NET POSITION		
Cash and Cash Equivalents	-	-
Cash and Cash Equivalents - Restricted	-	-
Total Cash and Cash Equivalents	$ -	$ -
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	$ 2,926	$ (1,063)
Provided (Used) by Operating Activities:		
Depreciation	-	-
Rounding	-	-
(Increase) Decrease in Accounts Receivable	(4,475)	380
Increase (Decrease) in Accounts Payable	(650)	2,419
Total Adjustments	(5,125)	2,799
Net Cash Provided (Used) by Operating Activities	$ (2,199)	$ 1,736
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Total Noncash Investing, Capital, and Financing Activities	$ -	$ -

CITY OF ARLINGTON, GEORGIA
ARLINGTON RECORDER COURT AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2020

	Beginning Balance	Additions	Deductions	Ending Balance
ASSETS				
Cash and Cash Equivalents	$ 9,289	$ 22,843	$ (21,237)	$ 10,895
Total Assets	9,289	22,843	(21,237)	10,895
LIABILITIES				
Due to P.O.A.B.	47	746	(793)	-
Due to G.S.C.C.C.A.	140	2,281	(2,421)	-
Due to Courware Solutions	120	1,560	(1,680)	-
Due to Victims Assistance Program	34	401	(435)	-
Due to D.A.T.E. Fund	-	-	-	-
Due to City of Arlington General Fund	-	9,962	(9,962)	-
Due to Other Agencies and Individuals	1,943	4,758	(5,946)	755
Amounts Held in Escrow	7,005	3,135	-	10,140
Total Liabilities	$ 9,289	$ 22,843	$ (21,237)	$ 10,895

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

	AS OF JUNE 30,	
	2020	**2019**
ASSETS		
Cash and Cash Equivalents	$ 4,804	$ 14,906
Total Assets	4,804	14,906
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	-	-
Total Liabilities	-	-
Fund Balance:		
Restricted for Downtown Development Authority Projects	4,804	14,906
Total Fund Balance	4,804	14,906
Total Liabilities and Fund Balance	$ 4,804	$ 14,906

CITY OF ARLINGTON, GEORGIA
ARLINGTON DOWTOWN DEVELOPMENT AUTHORITY
COMPONENT UNIT
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE

	FOR THE YEARS ENDED JUNE 30,	
	2020	**2019**
REVENUES		
Intergovernmental - City of Arlington	$ -	$ 4,000
Investment Income	50	95
Miscellaneous Revenue - Rent and Events	4,888	7,307
Total Revenues	4,938	11,402
EXPENDITURES		
Current:		
Supplies	3,216	3,113
Other	635	2,075
Total Current	3,851	5,188
Intergovermental:		
City of Arlington - Rent Commission	1,189	740
City of Arlington - For Sidewalk Grant	10,000	-
Total Intergovernmental	11,189	740
Total Expenditures	15,040	5,928
Net Change in Fund Balance	(10,102)	5,474
Fund Balance - Beginning of Year	14,906	9,432
Fund Balance - End of Year	$ 4,804	$ 14,906

CITY OF ARLINGTON, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH
2012-2017 SPECIAL PURPOSE LOCAL OPTION SALES TAX
FOR THE YEAR ENDED JUNE 30, 2020

Project	Original Estimated Cost *	Expenditures		Total	Estimated Percentage of Completion
		Prior Years	Current Year		
Capital Outlay Projects, Including Construction of, Improvements to, Equipment for, and Alterations of City Buildings and Facilities, and Streets and Roads:	$ 247,000	$ -	$ -	$ -	-
09 Crown Vic Police Car	-	2,000	-	2,000	-
Police Equipment	-	7,031	-	7,031	-
Computer Equipment	-	5,438	-	5,438	-
Depot Renovation	-	11,350	-	11,350	-
12 Dodge Charger Police Car	-	35,894	-	35,894	-
Streets and Roads	-	57,929	-	57,929	-
Mahindra Tractor/Loader	-	39,900	-	39,900	-
Zero Turn Mower	-	7,249	-	7,249	-
City Hall Improvements	-	4,425	-	4,425	-
Water & Sewerage	-	27,353	-	27,353	-
Grapple w/Skid Steer Hitch	-	-	4,000	4,000	-
HD Rotary Broom	-	-	4,736	4,736	-
Totals	$ 247,000	$ 198,569	$ 8,736	$ 207,305	83.93%

* There have been no changes in original estimated costs.

CITY OF ARLINGTON, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH
2013-2019 SPECIAL PURPOSE LOCAL OPTION SALES TAX
FOR THE YEAR ENDED JUNE 30, 2020

Project	Original Estimated Cost *	Expenditures		Total	Estimated Percentage of Completion
		Prior Years	Current Year		
Alteration to City Buildings	$ 144,500	$ 59,726	$ 15,166	$ 74,892	51.83%
Voting Equipment	8,000	-	509	509	6.36%
Public Safety	35,000	29,052	-	29,052	83.01%
Public Works, Roads, Streets, Sidewalks, Water and Sewer Improvement	60,000	6,486	26,647	33,133	55.22%
Totals	$ 247,500	$ 95,264	$ 42,322	$ 137,586	55.59%

* There have been no changes in original estimated costs.

CITY OF ARLINGTON, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH
2018-2023 SPECIAL PURPOSE LOCAL OPTION SALES TAX
FOR THE YEAR ENDED JUNE 30, 2020

Project	Original Estimated Cost *	Expenditures		Total	Estimated Percentage of Completion
		Prior Years	Current Year		
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	$ -	$ -	$ -	-
18 Ford F150 (Police)	-	-	30,172	30,172	-
18 Dodge Charger (Police)	-	-	38,609	38,609	-
Totals	$ 237,000	$ -	$ 68,781	$ 68,781	29.02%

* There have been no changes in original estimated costs.

CITY OF ARLINGTON, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH
2018-2023 TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX
FOR THE YEAR ENDED JUNE 30, 2020

Project	Original Estimated Cost *	Expenditures		Total	Estimated Percentage of Completion
		Prior Years	Current Year		
Transportation Projects:	$ 130,350	$ -	$ -	$ -	0.00%
Totals	$ 130,350	$ -	$ -	$ -	0.00%

* There have been no changes in original estimated costs.

CITY OF ARLINGTON, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH
2019-2024 TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX
FOR THE YEAR ENDED JUNE 30, 2020

Project	Original Estimated Cost *	Expenditures		Total	Estimated Percentage of Completion
		Prior Years	Current Year		
Transportation Projects:	$ 97,500	$ -	$ -	$ -	0.00%
Totals	$ 97,500	$ -	$ -	$ -	0.00%

* There have been no changes in original estimated costs.

BROWN, MCDANIEL & LADSON
CERTIFIED PUBLIC ACCOUNTANTS
2545 Lafayette Plaza Drive, Suite A, Albany, GA 31707
(229) 888-1144 / Fax (229) 888-1029

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 unit, each major fund, and the aggregate remaining fund information of the City of Arlington, Georgia, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Arlington, Georgia's basic financial statements and have issued our report thereon dated June 2, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Arlington, Georgia's internal control over financial reporting (internal control) as a basis for designing 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 the City of Arlington, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Arlington, Georgia's internal control.

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. 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.

Richard H. Brown
William D. McDaniel
M. Alan Ladson

Members
American Institute of Certified Public Accountants
Georgia Society of Certified Public Accountants

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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 have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2020-001 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 questioned costs as items 2020-002 and 2020-003.

City of Arlington, Georgia's Response to Findings

City of Arlington, Georgia's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. 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 & Ladson, LLC

Albany, Georgia
June 2, 2021

BROWN, MCDANIEL & LADSON
CERTIFIED PUBLIC ACCOUNTANTS
2545 Lafayette Plaza Drive, Suite A, Albany, GA 31707
(229) 888-1144 / Fax (229) 888-1029

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the City Council
City of Arlington, Georgia

Report on Compliance for Each Major Federal Program

We have audited the City of Arlington, Georgia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Arlington, Georgia's major federal programs for the year ended June 30, 2020. The City of Arlington, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Arlington, Georgia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Arlington, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Arlington, Georgia's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Arlington, Georgia, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the City of Arlington, Georgia, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirement referred to above. In planning and performing our audit of compliance, we considered the City of Arlington, Georgia's internal control over compliance with the types of compliance requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over financial reporting over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Arlington, Georgia's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

/s/ Brown, McDaniel & Ladson, LLC

Albany, Georgia
June 2, 2021

CITY OF ARLINGTON, GEORGIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2020

FINANCIAL STATEMENT FINDINGS:

Internal Control Over Financial Reporting

None.

Compliance

2019-001. 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.

2019-002. Prior Audit Finding: Comingled SPLOST Funds

Status and/or Corrective Action: The City concurred with this finding but has not made the necessary correction.

CITY OF ARLINGTON, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

Federal Grantor/Pass-Through Grantor Program or Cluster Titls	Federal CFDA Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
U.S. Department of Agriculture Direct Programs:				
Community Facilities Loans and Grants	10.766			
Grant			$ -	$ 438,888
New Loans			-	-
Beginning Balance from Loans of Previous Years			-	108,800
Interest Subsidy, Cash, or Administrative Cost Allowance			-	-
Sub-total Department of Agriculture Direct Programs			-	547,688
Pass-Through Programs From:				
Georgia Emergency Management and Homeland Security Agency				
Emergency Watershed Protection Program	10.923	NR204310 XXXXC002	-	11,895
Sub-total Department of Agriculture Pass-Through Programs			-	11,895
Total U.S. Department of Agriculture			-	559,583
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Pass-Through Programs From:				
Georgia Department of Community Affairs				
Community Development Block Grant	14.228	16p-x-109-2-5829	-	451,635
Total U.S. Department of Housing and Urban Development			-	451,635
Total Expendiures of Federal Awards			$ -	$ 1,011,218

CITY OF ARLINGTON, GEORGIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Arlington, Georgia under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Arlington, Georgia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Arlington, Georgia.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – SUB-RECIPIENTS

The City of Arlington, Georgia had no sub-recipients under its federal award programs.

NOTE 4 – INDIRECT COST RATE

The City of Arlington, Georgia has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 5 – BALANCE OF LOANS

The balances of loans and loan guarantee programs outstanding at the end of the audit period for loans described in 2 CFR 200.502(b) were $101,036.

CITY OF ARLINGTON, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

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?	____ yes __x__ no
Significant deficiencies identified?	__x__ yes ____ none reported
Noncompliance material to financial statements noted?	__x__ yes ____ no

Federal Awards

Internal control over major federal award programs:	
Material weakness(es) identified?	____ yes __x__ no
Significant deficiencies identified?	____ yes __x__ none reported
Type of auditor's report issued on compliance for major federal award programs:	Unmodified
Any audit findings disclosed that are required to be reported In accordance with 2 CFR section 200.516(a)?	____ yes __x__ no

Identification of major programs:

CFDA Number(s)	Program or Cluster
10.766	Community Facilities Loans and Grants

Dollar threshold to distinguish between Type A and Type B programs	$ 750,000
Auditee qualifies as low-risk auditee?	____ yes __x__ no

CITY OF ARLINGTON, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

Section II – Financial Statement Findings

INTERNAL CONTROL OVER FINANCIAL REPORTING – Significant Deficiencies

2020-001. Segregation of Duties

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 accounting functions.

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 small entity with limited financial resources and the benefits to be gained by proper segregation of the accounting functions do not justify the costs.

Recommendation: Those charged with governance should be mindful of the inherent risks involved with this condition and should both require and monitor periodic financial reports; questioning any transaction(s) or account balances that are not fully understood.

Views of Responsible Officials and Planned Corrective Action: The City of Arlington, Georgia agrees with this finding and will continue its present efforts, believing them to be sufficiently adequate, to monitor closely the financial activities of the City of Arlington, Georgia to ensure accurate financial processing of transactions and safeguarding of the City of Arlington, Georgia's assets.

COMPLIANCE

2020-002. 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.

Section II – Financial Statement Findings (continued)

COMPLIANCE (continued)

2020-002. Expenditures Over Appropriations. (repeat finding)(continued)

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

General Government	$ 20,524
Judicial	871
Public Safety	23,638
Public Works	17,100

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 and Planned Corrective Action: 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.

2020-003. Comingled SPLOST

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 to commingle those funds with other funds of the local government prior to expenditure.

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

Context: Total inter-fund receivables and payables are $4,964.

Cause: See Condition above.

Section II – Financial Statement Findings (continued)

COMPLIANCE (continued)

2020-003. Comingled SPLOST (continued)

Recommendation: We recommend that the appropriate transfers be made to correct the error(s).

Views of Responsible Officials and Planned Corrective Action: The City of Arlington, Georgia agrees with this finding and will transfer the funds to correct this condition.

Section III – Findings and Questioned Costs – Major Federal Award Programs Audit

None.