

ARLINGTON CENTRAL
SCHOOL DISTRICT

EXTRACLASSROOM
ACTIVITY FUND

FINANCIAL STATEMENTS

For the Year Ended
June 30, 2015

**ARLINGTON CENTRAL SCHOOL DISTRICT
TABLE OF CONTENTS**

	<u>Page</u>
EXTRACLASSROOM ACTIVITY FUND	
Independent Auditor's Report	1-2
Statement of Assets, Liabilities, and Fund Equity – Cash Basis	3
Statement of Revenues, Expenditures, and Changes in Fund Equity – Cash Basis	4
Notes to Financial Statements	5
Supplemental Schedule of Cash Receipts and Disbursements – Cash Basis	6-7

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Independent Auditor's Report

To the Board of Education of
Arlington Central School District

Report on the Financial Statements

We have audited the accompanying financial statements of the Extraclassroom Activity Fund of Arlington Central School District, which comprise the statement of assets, liabilities, and fund equity - cash basis as of June 30, 2015, and the related statement of revenues, expenditures, and changes in fund equity - cash basis for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting as described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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 an opinion 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. 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 District'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 District'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 opinion.

Basis for Qualified Opinion

Due to the fact that accounting controls generally are not exercised by students over cash receipts at the point of collection to the time of submission to the central treasurer, it was impracticable to extend our audit of such receipts beyond the amounts recorded.

Qualified Opinion

In our opinion, except for the effects of any adjustments which might have resulted had the cash collections referred to above been susceptible to satisfactory audit tests, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund equity of the Extraclassroom Activity Fund of Arlington Central School District at June 30, 2015, and its revenues, expenditures, and changes in fund equity for the year then ended in accordance with the basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule on pages 6 and 7 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the effects of any adjustments that might have been determined to be necessary had we been able to perform adequate auditing procedures in regard to the receipts referred to in the third preceding paragraph, the information is fairly stated in all material respects in relation to the financial statements as a whole.

D'Arcangelo + Co., LLP

October 7, 2015

Rome, New York

**ARLINGTON CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUND
STATEMENT OF ASSETS, LIABILITIES, AND FUND EQUITY - CASH BASIS
June 30, 2015**

<u>Assets</u>	
Cash	\$ <u>299,324</u>
<u>Total Assets</u>	\$ <u>299,324</u>
 <u>Fund Equity</u>	
Fund Equity Assigned	\$ <u>299,324</u>
<u>Total Fund Equity</u>	\$ <u>299,324</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

ARLINGTON CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND EQUITY - CASH BASIS
For the Year Ended June 30, 2015

Revenues	
Charges for Services, Sale of Property, and Miscellaneous	\$ <u>882,585</u>
Total Revenues	<u>882,585</u>
Expenditures	
Instruction - Club Activities	<u>882,000</u>
Total Expenditures	<u>882,000</u>
Excess Revenues over Expenditures	585
Fund Equity, Beginning of Year	<u>298,739</u>
Fund Equity, End of Year	\$ <u><u>299,324</u></u>

The Accompanying Notes are an Integral Part of These Financial Statements.

**ARLINGTON CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUND
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Operations

The transactions of the Extraclassroom Activity Fund are not considered part of the reporting entity of the Arlington Central School District. The related year-end cash balances are shown as part of the Arlington Central School District's Fiduciary Fund with the offset being shown as a liability.

The Board of Education makes rules and regulations for the conduct, operation, and maintenance of the Extraclassroom Activity Fund and for the safeguarding, accounting, and auditing of all monies received and derived therefrom.

Basis of Accounting

The books and records of the School District's Extraclassroom Activity Fund are maintained on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under this basis of accounting, revenues are recognized when cash is received, and expenditures are recognized when cash is disbursed.

Fund Equity Assigned

Fund equity includes amounts that are constrained by the Extraclassroom Activity Funds of Arlington Central School District's intent to be used for specific purposes of the respective activity, but are neither restricted nor committed.

Cash and Cash Equivalents

The Fund's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the School District's investment policies. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements, and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and Districts.

2. CUSTODIAL CREDIT RISK

Custodial credit risk is the risk that in the event of a bank failure, the Fund's deposits may not be returned to it. As of June 30, 2014, the School District's Extraclassroom total bank balances of \$388,544 were covered by FDIC insurance of \$250,000 and \$138,544 was uninsured and uncollateralized.

3. MIDDLE SCHOOL CLOSURE

Arlington Middle School was approved to be closed for the 2014-2015 school year by the Board of Education. All students and staff were transferred to the remaining schools. Extraclassroom Activity Fund remaining balances were transferred to Arlington High School and LaGrange Middle School Student Council and Drama Club during the year ended June 30, 2015, as noted in the supplemental schedule on pages 6 and 7.

ARLINGTON CENTRAL SCHOOL DISTRICT
EXTRACLASROOM ACTIVITY FUND
SUPPLEMENTAL SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - CASH BASIS
For the Year Ended June 30, 2015

Activities	Balance at 07/01/14	Cash Receipts	Cash Disbursements	Balance at 06/30/15
Junior-Senior High School				
Admiral Players	\$ 35,541	\$ 94,994	\$ 101,487	\$ 29,048
African Concerns	726		726	
Amnesty	2,005		2,005	
Anchors	22,915	60,850	64,104	19,661
Arlingtonian	3,749	500	459	3,790
Athletic Student Organization	73,954	171,606	182,488	63,072
Awareness	1,961	14,420	14,177	2,204
Blue Sky Acting	572	21		593
Bridges to Community		2,395	2,395	
Class of 2014	13,869		13,869	
Class of 2015	3,632	155,604	148,495	10,741
Class of 2016	1,283	63,191	62,570	1,904
Class of 2017	215	3,371	1,133	2,453
Class of 2018		4,690	4,412	278
Culinary Arts	36	13,051	12,677	410
Debate	481	195		676
Evermess	1,811	575	690	1,696
Equestrian Club		560	527	33
Fashion	120			120
FBLA	267	13,567	13,030	804
French	1,126	129	207	1,048
French Honor Society	624	1,785	1,493	916
Friends of Rachel	5,080	1,738	2,432	4,386
German	321		321	
Girls Learn International		10		10
Glee	385		385	
Interact	1,030	1,962	1,981	1,011
Italian	424	2,344	2,429	339
Italian Honor Society	498	1,614	1,320	792
Jazz Band	3,164	8,944	8,482	3,626
Link Crew	3,392	325	718	2,999
Marching Band	544	21,101	20,921	724
Marine Biology	1,178		994	184
Math Honor Society		1,020	1,020	
Mixed Ensembles	4,634	14,599	16,186	3,047
Model UN	1,186	8,111	8,640	657
Music Honor Society		561	200	361
National Honor Society	795	1,814	1,442	1,167
Nursery	4,002	987	1,370	3,619
Operation Donate	414	714	211	917
Photo Club	1,180	933	220	1,893
Ping Pong Club		1,365	1,240	125
SADD	616	827	693	750
SADD Grant	22,190	25,000	9,839	37,351
Safety Patrol	258	190	400	48
Sales Tax	135	9,989	8,172	1,952
Shades	163			163
Ski Club	3,731	44,707	40,701	7,737
Spanish	202	745	941	6
Spanish Honor Society		460	441	19
Step Team	297	149	414	32
String Orchestra	1,879	124	200	1,803
Student Athletic	77	8,489	7,832	734
Student Government	5,330	9,408	6,073	8,665
Together	90	350	350	90
Total Arlington High School	228,082	770,084	773,512	224,654

(Continued)

**ARLINGTON CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUND
SUPPLEMENTAL SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - CASH BASIS
For the Year Ended June 30, 2015**

(Continued)

Activities	Balance at 07/01/14	Cash Receipts	Cash Disbursements	Balance at 06/30/15
<u>Arlington Middle School</u>				
FCCLA	73		73	
Student Council	2,208	81	2,289	
Uniting Cultures Club	8		8	
Total Arlington Middle School	<u>2,289</u>	<u>81</u>	<u>2,370</u>	
<u>LaGrange Middle School</u>				
Community Service Club	121	194	214	101
Drama	18,692	10,641	9,700	19,633
Home & Careers	298	2,765	2,767	296
Honor Society	269	1,360	1,328	301
School Store	104	147	41	210
Student Council	4,348	8,652	9,185	3,815
Yearbook	10,210	13,173	20,883	2,500
Total LaGrange Middle School	<u>34,042</u>	<u>36,932</u>	<u>44,118</u>	<u>26,856</u>
<u>Union Vale Middle School</u>				
APK	832	20	4	848
Band	582	18,128	18,159	551
Broadway Trip/ Chorus	1,397	5,769	6,367	799
Drama Club	2,803	3,491	1,702	4,592
Library	1,682	6,726	7,006	1,402
Orchestra	689	6,748	6,486	951
School Musical	6,921	6,914	9,959	3,876
School Store	1,817	1,982	1,351	2,448
Student Council	15,555	17,470	7,211	25,814
Yearbook	2,048	8,240	3,755	6,533
Total Union Vale Middle School	<u>34,326</u>	<u>75,488</u>	<u>62,000</u>	<u>47,814</u>
Total	<u>\$ 298,739</u>	<u>\$ 882,585</u>	<u>\$ 882,000</u>	<u>\$ 299,324</u>