

ARLINGTON CENTRAL
SCHOOL DISTRICT

EXTRACLASSROOM
ACTIVITY FUND

FINANCIAL STATEMENTS

For the Year Ended
June 30, 2017

**ARLINGTON CENTRAL SCHOOL DISTRICT
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Independent Auditor's Report

To the Board of Education of
Arlington Central School District

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, 2017, 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, 2017, 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 supplemental schedule is fairly stated in all material respects in relation to the financial statements as a whole.

D'Arcangelo & Co., LLP

October 10, 2017

Rome, New York

**ARLINGTON CENTRAL SCHOOL DISTRICT
EXTRACLASROOM ACTIVITY FUND
STATEMENT OF ASSETS, LIABILITIES, AND FUND EQUITY - CASH BASIS
June 30, 2017**

<u>Assets</u>	
Cash	\$ <u>314,771</u>
<u>Total Assets</u>	\$ <u>314,771</u>
 <u>Fund Equity</u>	
Fund Equity Assigned	\$ <u>314,771</u>
<u>Total Fund Equity</u>	\$ <u>314,771</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, 2017**

Revenues	
Charges for Services, Sale of Property, and Miscellaneous	\$ <u>631,160</u>
Total Revenues	<u>631,160</u>
Expenditures	
Instruction - Club Activities	<u>645,557</u>
Total Expenditures	<u>645,557</u>
(Deficit) Revenues over Expenditures	(14,397)
Fund Equity, Beginning of Year	<u>329,168</u>
Fund Equity, End of Year	\$ <u><u>314,771</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, 2017**

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, 2017, the School District's Extraclassroom total bank balances of \$324,583 were covered by FDIC insurance of \$250,000 and \$74,583 was uninsured and uncollateralized.

ARLINGTON CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUND
SUPPLEMENTAL SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - CASH BASIS
For the Year Ended June 30, 2017

Activities	Balance at 07/01/16	Cash Receipts	Cash Disbursements	Balance at 06/30/17
<u>Junior-Senior High School</u>				
Admiral Players	\$ 36,232	\$ 99,492	\$ 106,600	\$ 29,124
Anchors	18,689	31,278	31,118	18,849
Arlingtonian	3,252		574	2,678
Art Club		103		103
Athletic Student Organization	74,560	162,457	160,590	76,427
Awareness	973	7,305	7,386	892
Blue Sky Acting	593	141		734
Bridges to Community		11,352	11,329	23
Class of 2017	10,445	65,789	70,371	5,863
Class of 2018	995	47,940	44,060	4,875
Class of 2019	1,017	2,026	1,140	1,903
Class of 2020		3,090	2,771	319
Culinary Arts	1,002	15,876	16,640	238
Debate	676			676
Everness	1,409	143	379	1,173
FBLA	1,567	106	1,090	583
French	912	631	753	790
French Honor Society	974	1,539	850	1,663
Friends of Rachel	3,856	500	3,081	1,275
Interact	1,393	2,485	2,434	1,444
Italian	443	1,681	1,639	485
Italian Honor Society	1,140	2,862	2,517	1,485
Jazz Band	5,223	20,246	21,390	4,079
Link Crew	2,308	1,226	1,167	2,367
Marching Band	745	10,525	10,723	547
Marine Biology	184			184
Math Honor Society	5	1,319	1,245	79
Mixed Ensembles	7,227	14,377	14,485	7,119
Model UN	292			292
Mountain Bike	100			100
Music Honor Society	518	197	256	459
National Honor Society	1,501	1,846	1,590	1,757
Nursery	3,209	2,699	2,673	3,235
Operation Donate	917		200	717
Photo Club	1,694	6		1,700
Ping Pong Club	129			129
Refugee Aid Club		186	180	6
SADD	971	210	73	1,108
SADD Grant	27,538	600	12,810	15,328
Safety Patrol	48			48
Sales Tax	2,022	15,193	15,810	1,405
Spanish		591	562	29
Spanish Honor Society	269	2,265	1,915	619
Step Team	296	324	263	357
String Orchestra	2,798	2,185	2,000	2,983
Student Athletic	400	4,321	4,631	90
Student Government	16,642	7,288	4,649	19,281
Together	90	567	567	90
Video Game Club	88	1	62	27
Total Arlington High School	<u>235,342</u>	<u>542,968</u>	<u>562,573</u>	<u>215,737</u>

(Continued)

**ARLINGTON CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUND
SUPPLEMENTAL SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - CASH BASIS
For the Year Ended June 30, 2017**

(Continued)

Activities	Balance at 07/01/16	Cash Receipts	Cash Disbursements	Balance at 06/30/17
<u>LaGrange Middle School</u>				
Community Service Club	87	645	627	105
Drama	18,965	8,242	7,032	20,175
Home & Careers	121	1,584	1,405	300
Honor Society	312	366	408	270
School Store	220	40	38	222
Student Council	2,510	17,885	14,725	5,670
Yearbook	6,339	5,134	8,746	2,727
Total LaGrange Middle School	28,554	33,896	32,981	29,469
<u>Union Vale Middle School</u>				
APK	878	41		919
Band	695	5,042	5,444	293
Broadway Trip/ Chorus	637	1,319	1,635	321
Drama Club	5,718	2,717	2,605	5,830
Library	1,618	4,398	4,167	1,849
Orchestra	784	2,778	2,923	639
School Musical	7,693	7,285	7,596	7,382
School Store	2,261	240	26	2,475
Student Council	32,386	24,964	21,019	36,331
Yearbook	12,602	5,512	4,588	13,526
Total Union Vale Middle School	65,272	54,296	50,003	69,565
Total	\$ 329,168	\$ 631,160	\$ 645,557	\$ 314,771

See Independent Auditor's Report.