



ARLINGTON CENTRAL SCHOOL DISTRICT

EXECUTIVE SUMMARY OF AUDIT

June 30, 2018

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**ARLINGTON CENTRAL SCHOOL DISTRICT
EXECUTIVE SUMMARY OF AUDIT
FOR THE YEAR ENDED JUNE 30, 2018**

Report Title	Description of Report and Findings						
Basic Financial Statements							
Independent Auditor's Report. (P. 1-2)	<p>Unmodified Opinion on the District's basic financial statements for the year ended June 30, 2018</p> <p>No matters were noted with regard to Management's Discussion and Analysis budget comparison, and other reports required by NYSED. Unmodified Report issued for the Schedule of Expenditures of Federal Awards in relation to basic financial statements taken as a whole.</p>						
<p>Report on Internal Control Over Financial Reporting and on Compliance Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards. (P.54)</p>	<p>Report issued for the District's compliance with laws and regulations that may have a direct and material effect on the basic financial statements, and on Districts' internal control structure, policies and procedures based on the auditors' understanding of the internal control structure and assessment of control risk obtained as part of the audit of the basic financial statements. This report identified the following:</p> <ul style="list-style-type: none"> • No material instances of noncompliance • No material weaknesses over internal controls over compliance 						
Single Audit (Uniform Guidance) Report							
<p>Report on Compliance with Requirements for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance. (P. 55-56)</p>	<p>Report issued for each major program's compliance and internal controls that could have a direct and material effect on these programs. The OMB Compliance Supplement identifies 12 compliance areas that are required to be tested in addition to other laws, regulations, contract, and grant agreements. This report identified no material internal control weaknesses regarding compliance in accordance with the Uniform Guidance.</p>						
	<p>The federal award program expenditures totaled \$4,072,263. We identified the following programs as major based on a risk based approach:</p> <p><u>U.S. Department of Agriculture</u></p> <p>Child Nutrition Cluster</p> <table> <tr> <td>School Breakfast Program</td><td style="text-align: right;"><u>\$ 128,372</u></td></tr> <tr> <td>National School Lunch Program</td><td style="text-align: right;"><u>\$ 839,770</u></td></tr> <tr> <td>Percentage of Total</td><td style="text-align: right;"><u>23.8%</u></td></tr> </table>	School Breakfast Program	<u>\$ 128,372</u>	National School Lunch Program	<u>\$ 839,770</u>	Percentage of Total	<u>23.8%</u>
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National School Lunch Program	<u>\$ 839,770</u>						
Percentage of Total	<u>23.8%</u>						

Report Title	Description of Report and Findings
Required Communication with Those Charged with Governance (Separate Letter)	<p data-bbox="651 251 1490 340">A letter that specifically addresses certain required communication to the Board of Education in accordance with professional standards – there were no comments of concern to be reported regarding the following:</p> <ul data-bbox="699 378 1490 727" style="list-style-type: none"> • Significant Accounting Policies - GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions • Accounting Estimates • Difficulties Encountered in Performing the Audit • Corrected and Uncorrected Misstatements • Conversion Entries for District-Wide Statements • Disagreements with Management • Management Representations • Management Consultations with Other Independent Accountants • Other Audit Findings or Issues <p data-bbox="651 795 1240 821">The letter identifies comments regarding the following:</p> <p data-bbox="670 857 919 883">Material Weaknesses:</p> <ul data-bbox="699 889 862 915" style="list-style-type: none"> • None noted. <p data-bbox="670 938 941 963">Significant Deficiencies:</p> <ul data-bbox="699 970 862 995" style="list-style-type: none"> • None noted. <p data-bbox="670 1029 1297 1055">Other Matters Not Considered Material or Significant:</p> <ul data-bbox="699 1064 873 1089" style="list-style-type: none"> • None noted. <p data-bbox="651 1157 1071 1183">Disposition of Prior Year Comments:</p> <p data-bbox="675 1219 925 1244">Material Weaknesses:</p> <ul data-bbox="699 1251 862 1276" style="list-style-type: none"> • None noted. <p data-bbox="662 1310 933 1336">Significant Deficiencies:</p> <ul data-bbox="699 1342 862 1368" style="list-style-type: none"> • None noted. <p data-bbox="656 1402 1282 1427">Other Matters Not Considered Material or Significant:</p> <ul data-bbox="699 1434 862 1459" style="list-style-type: none"> • None noted.
Report of Independent Auditors on Extraclassroom Activity Funds	Qualified opinion on the School District’s Extraclassroom Activity Fund financial statements for the year ended June 30, 2018.

ARLINGTON CENTRAL SCHOOL DISTRICT
FUND BALANCES - ALL FUNDS
June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>	<u>Increase/ (Decrease)</u>
General Fund			
Nonspendable	\$ 22,589	\$ 22,005	\$ 584
Restricted			
Unemployment Insurance	131,100	131,040	60
Retirement Contribution	4,536,207	4,535,257	950
Liability	53,269	53,229	40
Tax Certiorari	397,605	392,708	4,897
Employee Benefit Accrued Liability	907,473	906,596	877
Capital	<u>2,001,438</u>	<u>1,515,941</u>	<u>485,497</u>
Total Restricted	<u>8,027,092</u>	<u>7,534,771</u>	<u>492,321</u>
Assigned			
Appropriated for Subsequent Year's Budget	5,743,000	5,000,000	743,000
Encumbrances	<u>1,476,362</u>	<u>1,842,021</u>	<u>(365,659)</u>
Total Assigned	<u>7,219,362</u>	<u>6,842,021</u>	<u>377,341</u>
Unassigned	<u>8,200,349</u>	<u>7,929,348</u>	<u>271,001</u>
Total General Fund	<u>23,469,392</u>	<u>22,328,145</u>	<u>1,141,247</u>
 School Lunch Fund			
Nonspendable	96,595	88,805	7,790
Assigned	<u>412,281</u>	<u>502,456</u>	<u>(90,175)</u>
Total School Lunch Fund	<u>508,876</u>	<u>591,261</u>	<u>(82,385)</u>
 Debt Service Fund			
Restricted	<u>4,117,662</u>	<u>4,117,662</u>	
 Capital Projects Fund			
Restricted	13,464,333	13,179,549	284,784
Unassigned (Deficit)	<u>(5,199,996)</u>	<u>(5,374,062)</u>	<u>174,066</u>
Total Capital Projects Fund	<u>8,264,337</u>	<u>7,805,487</u>	<u>458,850</u>
 Total Fund Balances	<u>\$ 36,360,267</u>	<u>\$ 34,842,555</u>	<u>\$ 1,517,712</u>

ARLINGTON CENTRAL SCHOOL DISTRICT
BALANCE SHEET - GENERAL FUND
June 30, 2018 to 2014

<u>Assets</u>	2018	2017	2016	2015	2014
Cash	\$ 27,263,775	\$ 27,860,147	\$ 33,258,036	\$ 30,523,251	\$ 29,072,066
Accounts Receivable	669,825	647,425	1,165,028	845,045	643,601
Due From Other Funds	1,423,763	1,061,063	1,371,447	2,207,422	2,218,696
Due From State and Federal	1,720,856	1,555,400	1,567,549	1,604,850	1,537,439
Due From Other Governments	1,745,090	1,674,266	1,890,518	1,532,117	1,424,546
Prepaid Expenditures	22,589	22,005	10,424	6,478	5,977
<u>Total Assets</u>	<u>\$ 32,845,898</u>	<u>\$ 32,820,306</u>	<u>\$ 39,263,002</u>	<u>\$ 36,719,163</u>	<u>\$ 34,902,325</u>

Liabilities and Fund Balances

Liabilities					
Accounts Payable	\$	\$	\$ 56,601	\$	\$ 1,910,676
Accrued Liabilities	571,087	616,150	531,057	270,833	1,174,097
Due To Other Funds	0	0	0	3,605,976	0
Due To Other Governments	0	0	0	0	2,244
Due To Teachers' Retirement System	7,912,447	9,007,685	9,887,648	12,783,671	12,120,287
Due To Employees' Retirement System	804,966	787,694	915,100	958,490	1,016,612
Unearned Revenues	88,006	80,632	76,830	47,100	51,949
<u>Total Liabilities</u>	<u>9,376,506</u>	<u>10,492,161</u>	<u>11,467,236</u>	<u>17,666,070</u>	<u>16,275,865</u>

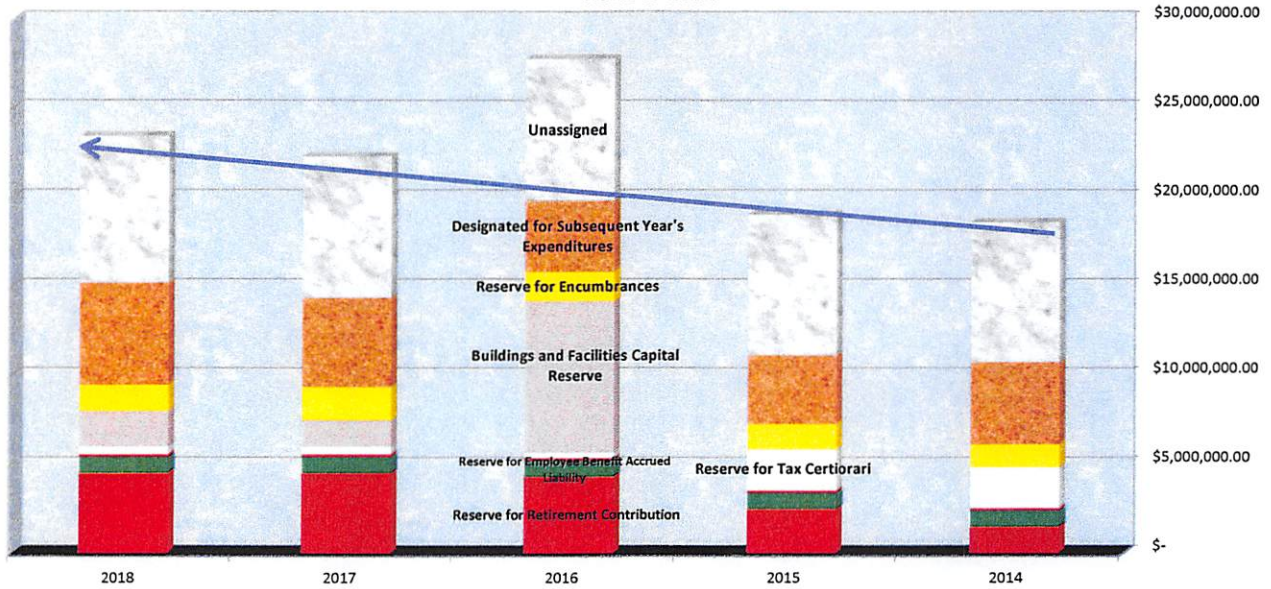
Fund Balances					
Nonspendable	22,589	22,005	10,424	6,478	5,977
Restricted					
Reserve for Retirement Contribution	4,536,207	4,535,257	4,334,489	2,504,045	1,503,347
Reserve for Employee Benefit Accrued Liability	907,473	906,596	905,887	905,177	904,568
Reserve for Unemployment Insurance	131,100	131,040	130,992	130,943	130,900
Reserve for Liability	53,269	53,229	53,196	53,163	53,135
Reserve for Tax Certiorari	397,605	392,708	276,243	2,304,450	2,303,113
Buildings and Facilities Capital Reserve	2,001,438	1,515,941	8,500,000	0	0
Assigned					
Reserve for Encumbrances	1,476,362	1,842,021	1,650,972	1,419,566	1,274,536
Designated for Subsequent Year's Expenditures	5,743,000	5,000,000	4,000,000	3,860,000	4,600,000
Unassigned	8,200,349	7,929,348	7,933,563	7,869,271	7,850,884
<u>Total Fund Balances</u>	<u>23,469,392</u>	<u>22,328,145</u>	<u>27,795,766</u>	<u>19,053,093</u>	<u>18,626,460</u>
<u>Total Liabilities and Fund Balances</u>	<u>\$ 32,845,898</u>	<u>\$ 32,820,306</u>	<u>\$ 39,263,002</u>	<u>\$ 36,719,163</u>	<u>\$ 34,902,325</u>

Current Assets to Liabilities	3.50	3.13	3.42	2.08	2.14
Total Fund Balances Percentage of Total Exp.	12%	12%	15%	10%	10%
Unassigned Fund Balance to Total Exp.	4%	4%	4%	4%	4%

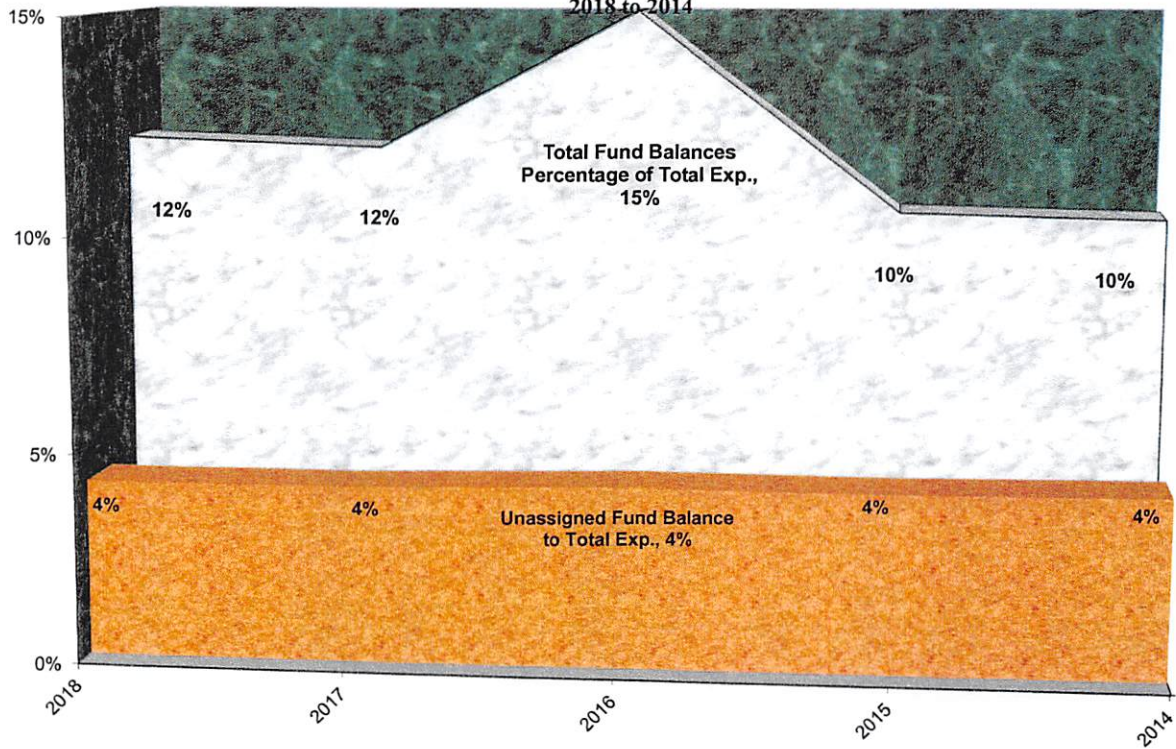
ARLINGTON CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Five Years Ended June 30, 2018 to 2014

	2018	2017	2016	2015	2014
REVENUES					
Real Property Taxes	\$ 122,674,449	\$ 120,434,986	\$ 120,468,027	\$ 118,375,058	\$ 115,560,875
Other Real Property Tax Items	13,923,005	14,057,393	15,016,542	15,139,279	15,332,703
Charges for Services	1,968,475	2,217,474	1,923,040	1,699,882	1,274,000
Use of Money and Property	787,368	715,735	661,985	514,071	256,191
Sale of Property and Compensation for Loss	7,623	169,200	251,709	24,644	33,222
Miscellaneous	1,354,494	1,367,276	1,327,052	1,189,004	931,019
State Sources	59,959,838	57,136,679	54,490,547	52,302,310	51,906,211
Federal Sources	<u>136,493</u>	<u>75,749</u>	<u>45,701</u>	<u>25,435</u>	<u>23,258</u>
Total Revenues	<u>200,811,745</u>	<u>196,174,492</u>	<u>194,184,603</u>	<u>189,269,683</u>	<u>185,317,479</u>
Expenditures					
General Support	14,488,183	14,551,776	14,476,436	14,947,005	15,827,833
Instruction	102,385,724	100,928,635	97,022,242	94,881,954	94,602,415
Pupil Transportation	10,699,321	10,401,926	10,217,160	10,210,214	10,460,127
Employee Benefits	54,555,696	50,362,722	50,201,660	53,042,038	50,212,863
Debt Service	<u>14,669,804</u>	<u>14,125,299</u>	<u>13,101,949</u>	<u>12,762,276</u>	<u>12,782,564</u>
Total Expenditures	<u>196,798,728</u>	<u>190,370,358</u>	<u>185,019,447</u>	<u>185,843,487</u>	<u>183,885,802</u>
Excess Revenues Over Expenditures	<u>4,013,017</u>	<u>5,804,134</u>	<u>9,165,156</u>	<u>3,426,196</u>	<u>1,431,677</u>
Other Financing Sources (Uses)					
Interfund Transfers From	16,699	777,297	193,660	1,047,144	1,263
Interfund Transfers To	<u>(2,888,469)</u>	<u>(12,049,052)</u>	<u>(616,143)</u>	<u>(4,046,707)</u>	<u>(427,891)</u>
Total Other Financing Sources (Uses)	<u>(2,871,770)</u>	<u>(11,271,755)</u>	<u>(422,483)</u>	<u>(2,999,563)</u>	<u>(426,628)</u>
Excess Revenues Over Expenditures and Other Financing Sources (Uses)	<u>\$ 1,141,247</u>	<u>\$ (5,467,621)</u>	<u>\$ 8,742,673</u>	<u>\$ 426,633</u>	<u>\$ 1,005,049</u>

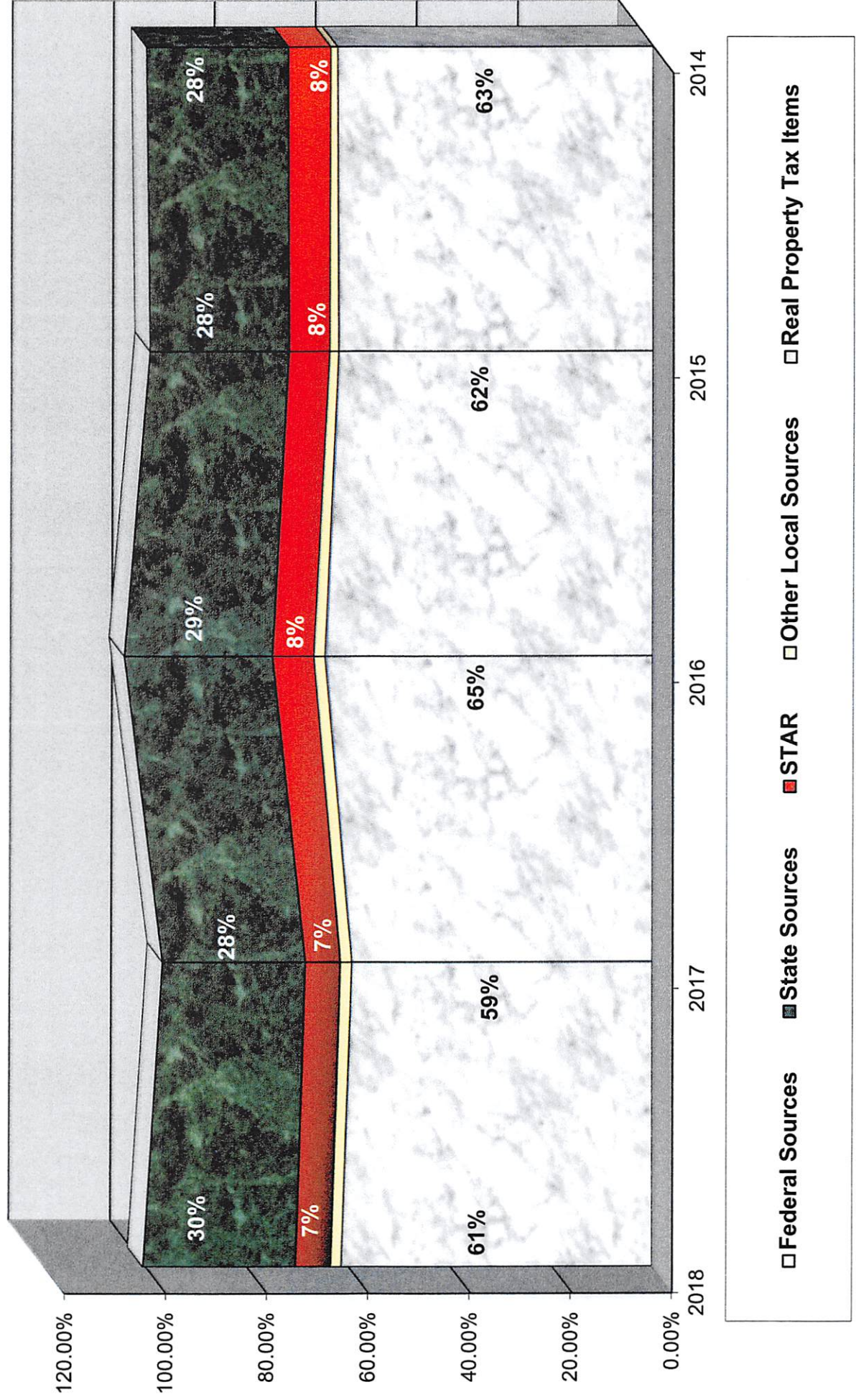
ARLINGTON CENTRAL SCHOOL DISTRICT FUND BALANCE HISTORY 2018 to 2014



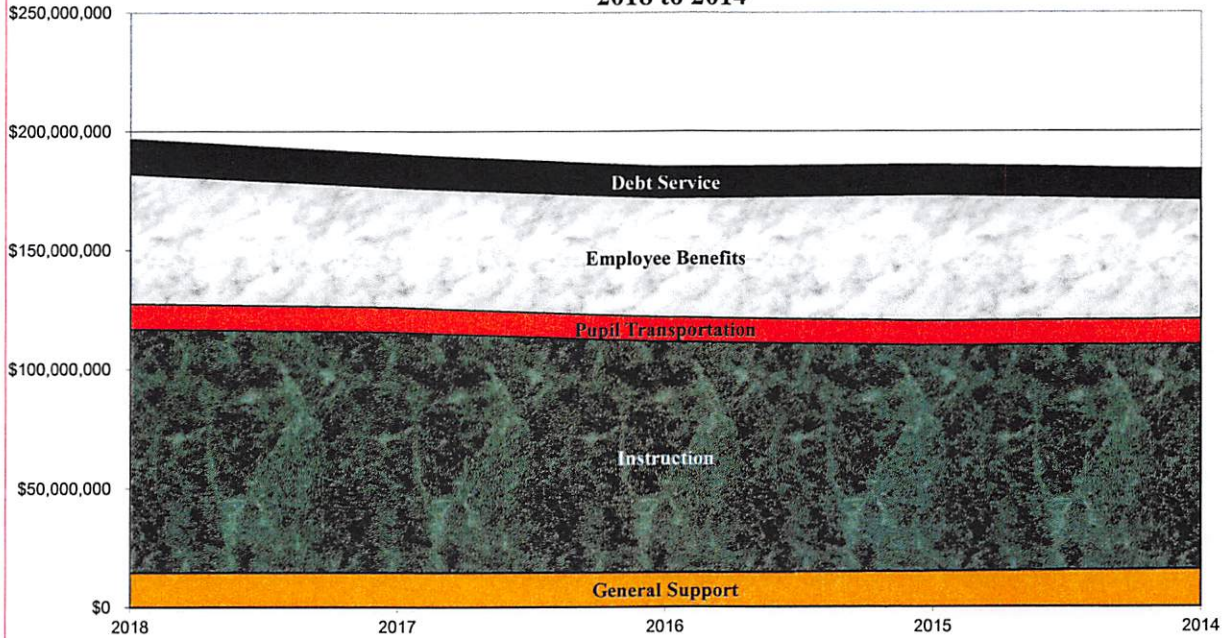
ARLINGTON CENTRAL SCHOOL DISTRICT UNASSIGNED FUND BALANCE PERCENTAGE OF BUDGET 2018 to 2014



ARLINGTON CENTRAL SCHOOL DISTRICT STATE VS. LOCAL EFFORT 2018 to 2014



**ARLINGTON CENTRAL SCHOOL DISTRICT
GENERAL FUND EXPENDITURES
2018 to 2014**



**ARLINGTON CENTRAL SCHOOL DISTRICT
EXPENDITURE PERCENTAGE OF TOTAL
2018 to 2014**

