



# ARLINGTON CENTRAL SCHOOL DISTRICT

## EXECUTIVE SUMMARY OF AUDIT

June 30, 2015

**D'Arcangelo & Co., LLP**

Certified Public Accountants & Consultants

Utica/Rome • Mid-Hudson • Westchester

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**ARLINGTON CENTRAL SCHOOL DISTRICT  
EXECUTIVE SUMMARY OF AUDIT  
FOR THE YEAR ENDED JUNE 30, 2015**

Report Title	Description of Report and Findings								
<b>Basic Financial Statements</b>									
<b>Independent Auditor's Report.</b>	<p><b>Unmodified Opinion</b> on the District's basic financial statements for the year ended June 30, 2015</p> <p>No matters were noted with regard to Management's Discussion and Analysis budget comparison, and other reports required by NYSSSED. Unqualified Report issued for the Schedule of Expenditures of Federal Awards in relation to basic financial statements taken as a whole.</p>								
<b>Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.</b>	<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"> <li>• <b>No material instances of noncompliance</b></li> <li>• <b>No material weaknesses over internal controls over compliance</b></li> </ul>								
<b>Single Audit (OMB A-133) Report</b>									
<b>Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133.</b>	<p>Report issued for each major program's compliance and internal controls that could have a direct and material effect on these programs. OMB Circular A-133 identifies 14 compliance areas that are required to be tested in addition to other laws, regulations, contract, and grant agreements. This report identified <b>no material internal control weaknesses</b> regarding compliance in accordance with OMB Circular A-133</p> <p>The federal award program expenditures totaled \$4,068,798. We identified the following programs as major based on a risk based approach:</p> <p><u>U.S. Department of Education</u></p> <table> <tr> <td data-bbox="711 1627 894 1654">Nutrition Cluster</td><td data-bbox="1203 1627 1360 1654">\$ 777,870</td></tr> <tr> <td data-bbox="711 1661 857 1688">Title I Grants</td><td data-bbox="1268 1661 1360 1688"><u>600,855</u></td></tr> <tr> <td data-bbox="927 1694 984 1722">Total</td><td data-bbox="1203 1694 1360 1722">\$ <u>1,378,725</u></td></tr> <tr> <td data-bbox="808 1780 1019 1808">Percentage of Total</td><td data-bbox="1308 1780 1360 1808"><u>34%</u></td></tr> </table>	Nutrition Cluster	\$ 777,870	Title I Grants	<u>600,855</u>	Total	\$ <u>1,378,725</u>	Percentage of Total	<u>34%</u>
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Required Communication with Those Charged with Governance	<p>A letter that specifically addresses certain required communication to the Board of Education in accordance with professional standards – there were <b>no comments of concern</b> to be reported regarding the following:</p> <ul style="list-style-type: none"><li>• Significant Accounting Policies<ul style="list-style-type: none"><li>▪ GASB 68, “<i>Accounting and Financial Reporting for Pensions...</i>”</li></ul></li><li>• Accounting Estimates</li><li>• Difficulties Encountered in Performing the Audit</li><li>• Corrected and Uncorrected Misstatements<ul style="list-style-type: none"><li>▪ Conversion Entries for District-Wide Statements</li></ul></li><li>• Disagreements with Management</li><li>• Management Representations</li><li>• Management Consultations with Other Independent Accountants</li><li>• Other Audit Findings or Issues</li></ul>												
Required Communication For Significant Areas in Need of Improvement	<p>The letter identifies comments regarding the following:</p> <table><tr><td><b>Material Weaknesses:</b></td></tr><tr><td><ul style="list-style-type: none"><li>• None noted in current year.</li></ul></td></tr><tr><td><b>Significant Deficiencies:</b></td></tr><tr><td><ul style="list-style-type: none"><li>• None noted in current year.</li></ul></td></tr><tr><td><b>Other Matters Not Considered Material or Significant:</b></td></tr><tr><td><ul style="list-style-type: none"><li>• Property Tax Collector Reporting</li></ul></td></tr></table> <p><b>Disposition of Prior Year Comments:</b></p> <table><tr><td><b>Material Weaknesses:</b></td></tr><tr><td><ul style="list-style-type: none"><li>• None noted.</li></ul></td></tr><tr><td><b>Significant Deficiencies:</b></td></tr><tr><td><ul style="list-style-type: none"><li>• None noted.</li></ul></td></tr><tr><td><b>Other Matters Not Considered Material or Significant:</b></td></tr><tr><td><ul style="list-style-type: none"><li>• None noted.</li></ul></td></tr></table>	<b>Material Weaknesses:</b>	<ul style="list-style-type: none"><li>• None noted in current year.</li></ul>	<b>Significant Deficiencies:</b>	<ul style="list-style-type: none"><li>• None noted in current year.</li></ul>	<b>Other Matters Not Considered Material or Significant:</b>	<ul style="list-style-type: none"><li>• Property Tax Collector Reporting</li></ul>	<b>Material Weaknesses:</b>	<ul style="list-style-type: none"><li>• None noted.</li></ul>	<b>Significant Deficiencies:</b>	<ul style="list-style-type: none"><li>• None noted.</li></ul>	<b>Other Matters Not Considered Material or Significant:</b>	<ul style="list-style-type: none"><li>• None noted.</li></ul>
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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, 2015.												

**ARLINGTON CENTRAL SCHOOL DISTRICT**  
**FUND BALANCES - ALL FUNDS**  
**June 30, 2015 and 2014**

	<u>2015</u>	<u>(Restated) 2014</u>	<u>Increase/ (Decrease)</u>
<b>General Fund</b>			
<b>Nonspendable</b>	\$ 6,478	\$ 5,977	\$ 501
<b>Restricted</b>			
Unemployment Insurance	130,943	130,900	43
Retirement Contribution	2,504,045	1,503,347	1,000,698
Liability	53,163	53,135	28
Tax Certiorari	2,304,450	2,303,113	1,337
Employee Benefit Accrued Liability	905,177	904,568	609
Total Restricted	<u>5,897,778</u>	<u>4,895,063</u>	<u>1,002,715</u>
<b>Assigned</b>			
Appropriated for Subsequent Year's Budget	3,860,000	4,600,000	(740,000)
Encumbrances	<u>1,419,566</u>	<u>1,274,536</u>	<u>145,030</u>
Total Assigned	<u>5,279,566</u>	<u>5,874,536</u>	<u>(594,970)</u>
<b>Unassigned</b>	<u>7,869,271</u>	<u>7,850,884</u>	<u>18,387</u>
<b>Total General Fund</b>	<u>19,053,093</u>	<u>18,626,460</u>	<u>426,633</u>
 <b>School Lunch Fund</b>			
Nonspendable	76,760	105,116	(28,356)
Assigned	<u>341,641</u>	<u>288,893</u>	<u>52,748</u>
<b>Total School Lunch Fund</b>	<u>418,401</u>	<u>394,009</u>	<u>24,392</u>
 <b>Debt Service Fund</b>			
Restricted	<u>4,302,662</u>	<u>5,296,121</u>	<u>(993,459)</u>
 <b>Capital Projects Fund</b>			
Restricted	4,174,570	860,227	3,314,343
Unassigned (Deficit)	<u>(5,907,250)</u>	<u>(5,108,437)</u>	<u>(798,813)</u>
<b>Total Capital Projects Fund (Deficit)</b>	<u>(1,732,680)</u>	<u>(4,248,210)</u>	<u>2,515,530</u>
 <b>Total Fund Balances</b>	<u>\$ 22,041,476</u>	<u>\$ 20,068,380</u>	<u>\$ 1,973,096</u>

**ARLINGTON CENTRAL SCHOOL DISTRICT**  
**BALANCE SHEET - GENERAL FUND**  
**June 30, 2015 to 2011**

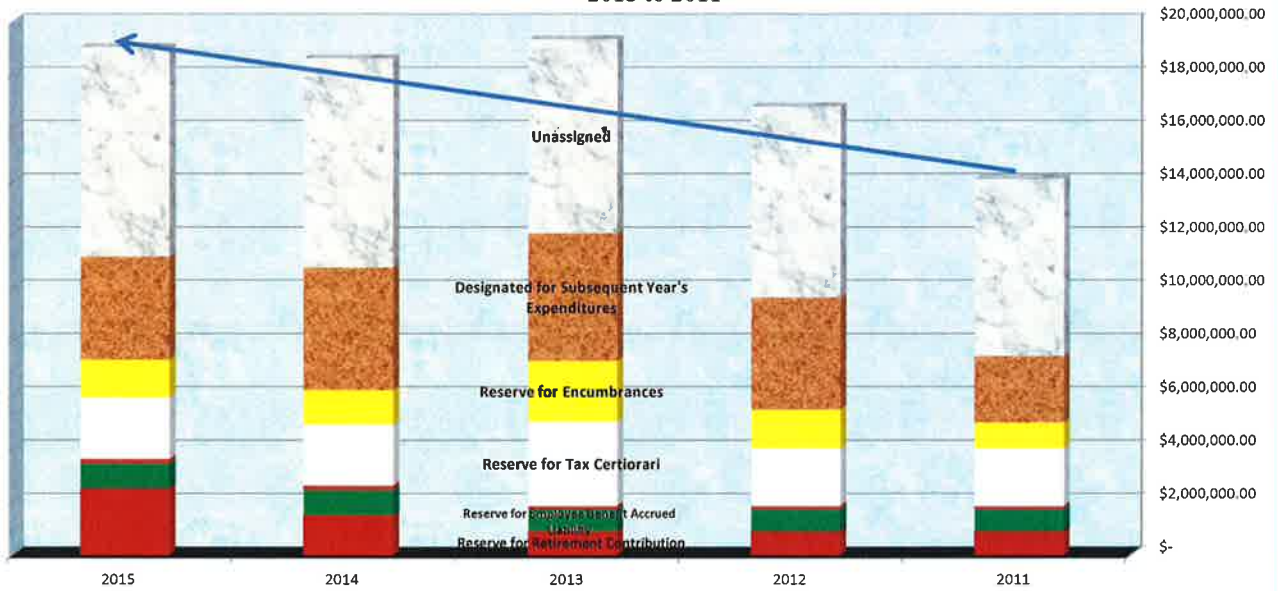
	2015	(Restated) 2014	2013	2012	2011
<b>Assets</b>					
Cash	\$ 30,523,251	29,072,066	\$ 29,758,686	\$ 22,373,901	\$ 17,458,388
Accounts Receivable	845,045	643,601	532,026	940,517	523,500
Due From Other Funds	2,207,422	2,218,696	2,273,144	1,381,475	1,409,725
Due From State and Federal	1,604,850	1,537,439	2,576,163	3,151,167	5,095,032
Due From Other Governments	1,532,117	1,424,546			
Prepaid Expenditures	6,478	5,977	20,273	7,932	2,892
<b>Total Assets</b>	<b>\$ 36,719,163</b>	<b>\$ 34,902,325</b>	<b>\$ 35,160,292</b>	<b>\$ 27,854,992</b>	<b>\$ 24,489,537</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$	\$ 1,910,676	\$ 549,493	\$ 844,064	\$ 646,192
Accrued Liabilities	270,833	1,174,097	3,940,479	1,701,891	719,424
Due To Other Funds	3,605,976		2,000,000		1,949,000
Due To Other Governments	0	2,244			
Due To Teachers' Retirement System	12,783,671	12,120,287	8,000,675	6,548,143	5,046,281
Due To Employees' Retirement System	958,490	1,016,612	1,005,748	981,047	665,575
Compensated Absences				933,293	961,316
Unearned Revenues	47,100	51,949	307,779	18,411	397,929
<b>Total Liabilities</b>	<b>\$ 17,666,070</b>	<b>\$ 16,275,865</b>	<b>\$ 15,804,174</b>	<b>\$ 11,026,849</b>	<b>\$ 10,385,717</b>
<b>Fund Balances</b>					
Nonspendable	6,478	5,977	20,273	7,932	2,892
Restricted					
Reserve for Retirement Contribution	2,504,045	1,503,347	901,580	900,860	900,000
Reserve for Employee Benefit Accrued Liability	905,177	904,568	802,965	802,322	801,334
Reserve for Unemployment Insurance	130,943	130,900	80,764	80,701	80,609
Reserve for Liability	53,163	53,135	53,046	53,003	52,930
Reserve for Tax Certiorari	2,304,450	2,303,113	3,153,757	2,152,036	2,149,320
Assigned					
Reserve for Encumbrances	1,419,566	1,274,536	2,274,842	1,458,207	969,102
Designated for Subsequent Year's Expenditures	3,860,000	4,600,000	4,800,000	4,200,000	2,500,000
Unassigned	7,869,271	7,850,884	7,268,891	7,173,082	6,647,633
<b>Total Fund Balances</b>	<b>19,053,093</b>	<b>18,626,460</b>	<b>19,356,118</b>	<b>16,828,143</b>	<b>14,103,820</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 36,719,163</b>	<b>\$ 34,902,325</b>	<b>\$ 35,160,292</b>	<b>\$ 27,854,992</b>	<b>\$ 24,489,537</b>

<b>Current Assets to Liabilities</b>	<b>2.08</b>	<b>2.14</b>	<b>2.22</b>	<b>2.53</b>	<b>2.36</b>
<b>Total Fund Balances Percentage of Total Exp.</b>	<b>10%</b>	<b>10%</b>	<b>11%</b>	<b>10%</b>	<b>9%</b>
<b>Unassigned Fund Balance to Total Exp.</b>	<b>4%</b>	<b>4%</b>	<b>4%</b>	<b>4%</b>	<b>4%</b>

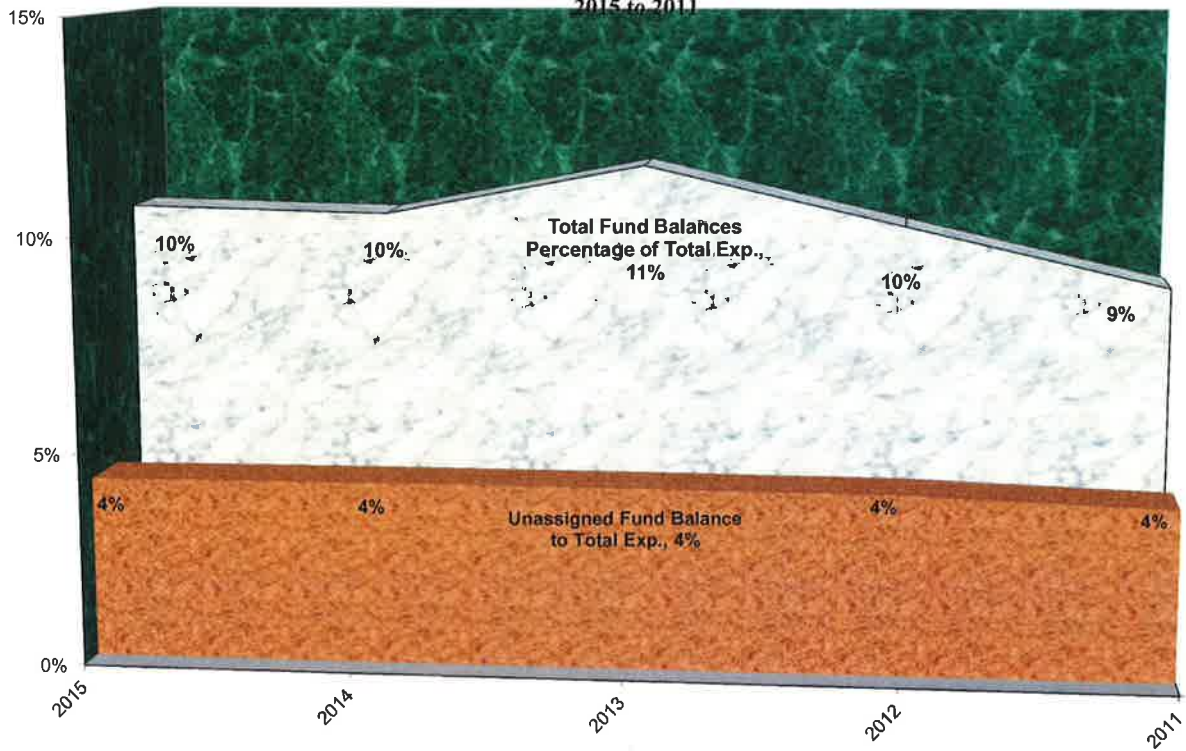
**ARLINGTON CENTRAL SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**For the Five Years Ended June 30, 2015 To 2011**

	2015	(Restated) 2014	2013	2012	2011
<b>REVENUES</b>					
Real Property Taxes	\$ 118,375,058	\$ 115,560,875	\$ 110,950,500	\$ 106,719,915	\$ 100,324,571
Other Real Property Tax Items	15,139,279	15,332,703	14,794,843	14,344,570	12,665,415
Charges for Services	1,699,882	1,274,000	827,028	1,819,402	1,598,248
Use of Money and Property	514,071	256,191	345,671	311,757	303,855
Sale of Property and Compensation for Loss	24,644	33,222	29,570	104,924	43,319
Miscellaneous	1,189,004	931,019	921,940	1,744,753	1,732,011
State Sources	52,302,310	51,906,211	45,294,066	44,940,444	48,099,838
Federal Sources	25,435	23,258	21,844	2,382,824	6,389,635
Total Revenues	<u>189,269,683</u>	<u>185,317,479</u>	<u>173,185,462</u>	<u>172,368,589</u>	<u>171,156,892</u>
<b>Expenditures</b>					
General Support	14,947,005	15,827,833	16,325,799	16,602,850	15,828,308
Instruction	94,881,954	94,602,415	86,969,006	87,965,427	89,663,674
Pupil Transportation	10,210,214	10,460,127	10,793,884	10,652,131	10,199,692
Employee Benefits	53,042,038	50,212,863	43,215,846	40,793,130	36,555,615
Debt Service	12,762,276	12,782,564	13,235,929	13,404,199	13,283,074
Total Expenditures	<u>185,843,487</u>	<u>183,885,802</u>	<u>170,540,464</u>	<u>169,417,737</u>	<u>165,530,363</u>
Excess Revenues Over Expenditures	<u>3,426,196</u>	<u>1,431,677</u>	<u>2,644,998</u>	<u>2,950,852</u>	<u>5,626,529</u>
<b>Other Financing Sources (Uses)</b>					
Interfund Transfers From	1,047,144	1,263	86,400	60,238	49,314
Interfund Transfers To	(4,046,707)	(427,891)	(203,423)	(286,767)	(1,220,579)
Total Other Financing Sources (Uses)	<u>(2,999,563)</u>	<u>(426,628)</u>	<u>(117,023)</u>	<u>(226,529)</u>	<u>(1,171,265)</u>
Excess Revenues Over Expenditures and Other Financing Sources (Uses)	<u>\$ 426,633</u>	<u>\$ 1,005,049</u>	<u>\$ 2,527,975</u>	<u>\$ 2,724,323</u>	<u>\$ 4,455,264</u>

### ARLINGTON CENTRAL SCHOOL DISTRICT FUND BALANCE HISTORY 2015 to 2011

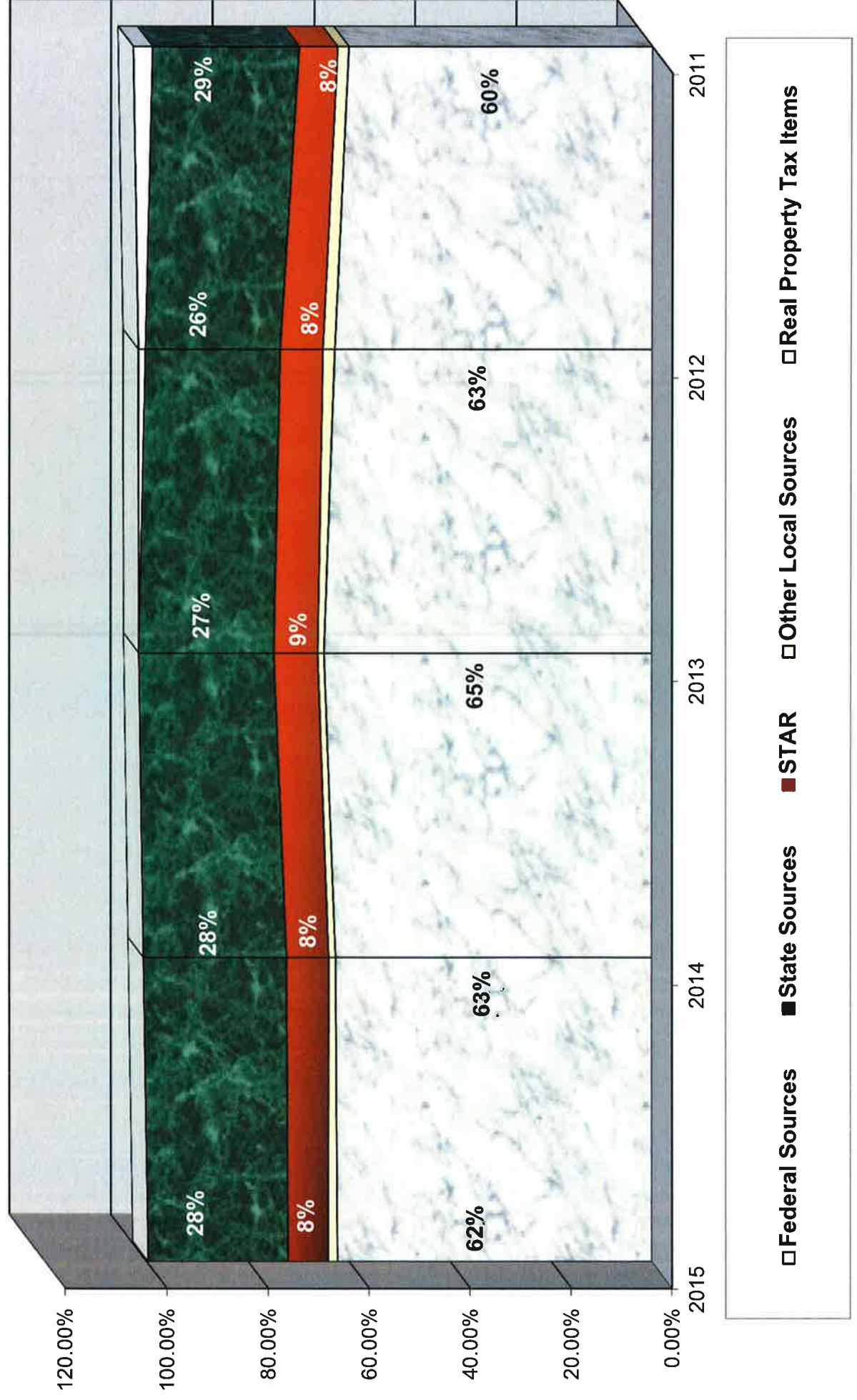


### ARLINGTON CENTRAL SCHOOL DISTRICT UNASSIGNED FUND BALANCE PERCENTAGE OF BUDGET 2015 to 2011



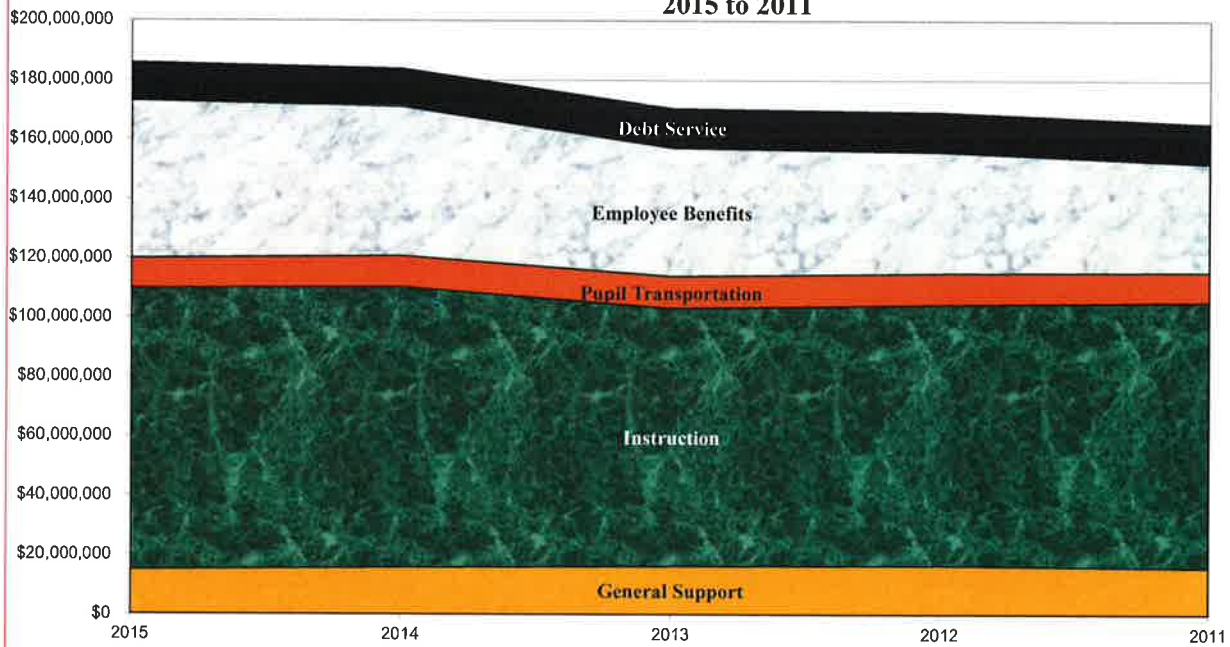


# ARLINGTON CENTRAL SCHOOL DISTRICT STATE VS. LOCAL EFFORT 2015 to 2011





# **ARLINGTON CENTRAL SCHOOL DISTRICT GENERAL FUND EXPENDITURES 2015 to 2011**



# **ARLINGTON CENTRAL SCHOOL DISTRICT EXPENDITURE PERCENTAGE OF TOTAL 2015 to 2011**

