

ARLINGTON CENTRAL  
SCHOOL DISTRICT

EXTRACLASSROOM  
ACTIVITY FUND

FINANCIAL STATEMENTS

For the Year Ended  
June 30, 2016

**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, 2016, 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, 2016, 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 7, 2016

Rome, New York

**ARLINGTON CENTRAL SCHOOL DISTRICT  
EXTRACLASROOM ACTIVITY FUND  
STATEMENT OF ASSETS, LIABILITIES, AND FUND EQUITY - CASH BASIS  
June 30, 2016**

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<u>Assets</u>	
Cash	\$ <u>329,168</u>
<u>Total Assets</u>	\$ <u>329,168</u>
 <u>Fund Equity</u>	
Fund Equity	
Assigned	\$ <u>329,168</u>
<u>Total Fund Equity</u>	\$ <u>329,168</u>

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

**ARLINGTON CENTRAL SCHOOL DISTRICT**  
**EXTRACLASROOM ACTIVITY FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND EQUITY - CASH BASIS**  
**For the Year Ended June 30, 2016**

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Revenues	
Charges for Services, Sale of Property, and Miscellaneous	\$ <u>689,408</u>
Total Revenues	<u>689,408</u>
Expenditures	
Instruction - Club Activities	<u>659,564</u>
Total Expenditures	<u>659,564</u>
Excess Revenues over Expenditures	29,844
Fund Equity, Beginning of Year	<u>299,324</u>
Fund Equity, End of Year	\$ <u><u>329,168</u></u>

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

**ARLINGTON CENTRAL SCHOOL DISTRICT  
EXTRACLASROOM ACTIVITY FUND  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2016**

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**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, 2016, the School District's Extraclassroom total bank balances of \$390,971 were covered by FDIC insurance of \$250,000 and \$140,971 was uninsured and uncollateralized.

**ARLINGTON CENTRAL SCHOOL DISTRICT  
EXTRACLASSTROOM ACTIVITY FUND  
SUPPLEMENTAL SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - CASH BASIS  
For the Year Ended June 30, 2016**

Activities	Balance at 07/01/15	Cash Receipts	Cash Disbursements	Balance at 06/30/16
<b><u>Junior-Senior High School</u></b>				
Admiral Players	\$ 29,048	\$ 108,615	\$ 101,431	\$ 36,232
Anchors	19,661	35,904	36,876	18,689
Arlingtonian	3,790		538	3,252
Athletic Student Organization	63,072	141,733	130,245	74,560
Awareness	2,204	10,175	11,406	973
Blue Sky Acting	593			593
Bridges to Community		9,197	9,197	
Class of 2015	10,741		10,741	
Class of 2016	1,904	126,201	128,105	
Class of 2017	2,453	45,132	37,140	10,445
Class of 2018	278	2,315	1,598	995
Class of 2019		4,980	3,963	1,017
Culinary Arts	410	6,847	6,255	1,002
Debate	676			676
Everness	1,696	454	741	1,409
Equestrian Club	33		33	
Fashion	120		120	
FBLA	804	3,126	2,363	1,567
French	1,048	380	516	912
French Honor Society	916	1,111	1,053	974
Friends of Rachel	4,386	100	630	3,856
Girls Learn International	10		10	
Interact	1,011	2,068	1,686	1,393
Italian	339	1,200	1,096	443
Italian Honor Society	792	2,730	2,382	1,140
Jazz Band	3,626	18,069	16,472	5,223
Link Crew	2,999	160	851	2,308
Marching Band	724	1,628	1,607	745
Marine Biology	184			184
Math Honor Society		1,305	1,300	5
Mixed Ensembles	3,047	14,861	10,681	7,227
Model UN	657	5,477	5,842	292
Mountain Bike		511	411	100
Music Honor Society	361	375	218	518
National Honor Society	1,167	1,644	1,310	1,501
Nursery	3,619	1,440	1,850	3,209
Operation Donate	917			917
Photo Club	1,893		199	1,694
Ping Pong Club	125	4		129
SADD	750	387	166	971
SADD Grant	37,351	4	9,817	27,538
Safety Patrol	48			48
Sales Tax	1,952	11,412	11,342	2,022
Shades	163		163	
Ski Club	7,737		7,737	
Spanish	6	1,906	1,912	
Spanish Honor Society	19	1,183	933	269
Step Team	32	1,317	1,053	296
String Orchestra	1,803	4,178	3,183	2,798
Student Athletic	734	3,267	3,601	400
Student Government	8,665	13,606	5,629	16,642
Together	90	745	745	90
Video Game Club		90	2	88
Total Arlington High School	224,654	585,837	575,149	235,342

(Continued)

See Independent Auditor's Report.



**ARLINGTON CENTRAL SCHOOL DISTRICT  
EXTRACLASROOM ACTIVITY FUND  
SUPPLEMENTAL SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - CASH BASIS  
For the Year Ended June 30, 2016**

(Continued)

Activities	Balance at 07/01/15	Cash Receipts	Cash Disbursements	Balance at 06/30/16
<b><u>LaGrange Middle School</u></b>				
Community Service Club	101		14	87
Drama	19,633	10,693	11,361	18,965
Home & Careers	296	3,260	3,435	121
Honor Society	301	113	102	312
School Store	210	45	35	220
Student Council	3,815	16,458	17,763	2,510
Yearbook	2,500	4,472	633	6,339
Total LaGrange Middle School	<u>26,856</u>	<u>35,041</u>	<u>33,343</u>	<u>28,554</u>
<b><u>Union Vale Middle School</u></b>				
APK	848	30		878
Band	551	6,609	6,465	695
Broadway Trip/ Chorus	799	1,471	1,633	637
Drama Club	4,592	7,859	6,733	5,718
Library	1,402	6,865	6,649	1,618
Orchestra	951	2,935	3,102	784
School Musical	3,876	6,141	2,324	7,693
School Store	2,448	407	594	2,261
Student Council	25,814	26,344	19,772	32,386
Yearbook	6,533	9,869	3,800	12,602
Total Union Vale Middle School	<u>47,814</u>	<u>68,530</u>	<u>51,072</u>	<u>65,272</u>
<b>Total</b>	<u>\$ 299,324</u>	<u>\$ 689,408</u>	<u>\$ 659,564</u>	<u>\$ 329,168</u>

See Independent Auditor's Report.