



ARLINGTON CENTRAL SCHOOL DISTRICT

EXECUTIVE SUMMARY OF AUDIT

June 30, 2019

D'Arcangelo & Co., LLP

Certified Public Accountants & Consultants

Utica/Rome • Mid-Hudson • Westchester
Telephone: 315-336-9220 Fax: 315-336-0836

**ARLINGTON CENTRAL SCHOOL DISTRICT
EXECUTIVE SUMMARY OF AUDIT
FOR THE YEAR ENDED JUNE 30, 2019**

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, 2019</p> <p>No matters were noted with regard to Management's Discussion and Analysis budget comparison, and other reports required by NYSSSED. Unmodified Report issued for the Schedule of Expenditures of Federal Awards in relation to basic financial statements taken as a whole.</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.55)	<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									
Report on Compliance with Requirements for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance. (P. 56-57)	<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 \$4,278,132. We identified the following programs as major based on a risk based approach:</p> <p><u>U.S. Department of Agriculture</u></p> <p>Special Education Cluster</p> <table> <tr> <td>Special Education – Gants to States</td><td style="text-align: right;">\$ 2,085,528</td></tr> <tr> <td>Special Education – Preschool</td><td style="text-align: right;"><u>72,806</u></td></tr> <tr> <td>Total</td><td style="text-align: right;"><u>\$ 2,158,334</u></td></tr> <tr> <td>Percentage of Total</td><td style="text-align: right;"><u>50.5%</u></td></tr> </table>	Special Education – Gants to States	\$ 2,085,528	Special Education – Preschool	<u>72,806</u>	Total	<u>\$ 2,158,334</u>	Percentage of Total	<u>50.5%</u>
Special Education – Gants to States	\$ 2,085,528								
Special Education – Preschool	<u>72,806</u>								
Total	<u>\$ 2,158,334</u>								
Percentage of Total	<u>50.5%</u>								

Report Title	Description of Report and Findings
Required Communication with Those Charged with Governance (Separate Letter)	<p data-bbox="646 294 1481 380">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="695 415 1430 669" style="list-style-type: none"> • Significant Accounting Policies 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="646 735 1232 760">The letter identifies comments regarding the following:</p> <p data-bbox="667 795 914 821">Material Weaknesses:</p> <ul data-bbox="695 827 857 852" style="list-style-type: none"> • None noted. <p data-bbox="667 877 935 903">Significant Deficiencies:</p> <ul data-bbox="695 909 857 934" style="list-style-type: none"> • None noted. <p data-bbox="667 968 1289 993">Other Matters Not Considered Material or Significant:</p> <ul data-bbox="695 999 870 1024" style="list-style-type: none"> • None noted. <p data-bbox="646 1092 1066 1117">Disposition of Prior Year Comments:</p> <p data-bbox="672 1152 920 1178">Material Weaknesses:</p> <ul data-bbox="695 1184 857 1209" style="list-style-type: none"> • None noted. <p data-bbox="660 1243 928 1268">Significant Deficiencies:</p> <ul data-bbox="695 1274 857 1299" style="list-style-type: none"> • None noted. <p data-bbox="654 1333 1274 1358">Other Matters Not Considered Material or Significant:</p> <ul data-bbox="695 1365 857 1390" 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, 2019.

ARLINGTON CENTRAL SCHOOL DISTRICT
FUND BALANCES - ALL FUNDS
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>	<u>Increase/ (Decrease)</u>
General Fund			
Nonspendable	\$ 52,195	\$ 22,589	\$ 29,606
Restricted			
Unemployment Insurance	132,086	131,100	986
Retirement Contribution - ERS	4,570,343	4,536,207	34,136
Retirement Contribution - TRS	1,000,000	0	1,000,000
Liability	53,670	53,269	401
Tax Certiorari	602,597	397,605	204,992
Employee Benefit Accrued Liability	914,302	907,473	6,829
Capital	3,105,062	2,001,438	1,103,624
Total Restricted	<u>10,378,060</u>	<u>8,027,092</u>	<u>2,350,968</u>
Assigned			
Appropriated for Subsequent Year's Budget	5,743,000	5,743,000	
Encumbrances	<u>1,480,717</u>	<u>1,476,362</u>	<u>4,355</u>
Total Assigned	<u>7,223,717</u>	<u>7,219,362</u>	<u>4,355</u>
Unassigned	<u>8,531,433</u>	<u>8,200,349</u>	<u>331,084</u>
Total General Fund	<u>26,185,405</u>	<u>23,469,392</u>	<u>2,716,013</u>
 School Lunch Fund			
Nonspendable	89,795	96,595	(6,800)
Assigned	<u>435,807</u>	<u>412,281</u>	<u>23,526</u>
Total School Lunch Fund	<u>525,602</u>	<u>508,876</u>	<u>16,726</u>
 Debt Service Fund			
Restricted	<u>4,209,887</u>	<u>4,117,662</u>	<u>92,225</u>
 Capital Projects Fund			
Restricted	13,961,506	13,464,333	497,173
Unassigned (Deficit)	<u>(5,766,354)</u>	<u>(5,199,996)</u>	<u>(566,358)</u>
Total Capital Projects Fund	<u>8,195,152</u>	<u>8,264,337</u>	<u>(69,185)</u>
 Total Fund Balances	<u>\$ 39,116,046</u>	<u>\$ 36,360,267</u>	<u>\$ 2,755,779</u>

ARLINGTON CENTRAL SCHOOL DISTRICT
BALANCE SHEET - GENERAL FUND
June 30, 2019 to 2015

<u>Assets</u>	2019	2018	2017	2016	2015
Cash	\$ 29,690,913	\$ 27,263,775	\$ 27,860,147	\$ 33,258,036	\$ 30,523,251
Accounts Receivable	949,515	669,825	647,425	1,165,028	845,045
Due From Other Funds	1,586,992	1,423,763	1,061,063	1,371,447	2,320,841
Due From State and Federal	2,327,420	1,720,856	1,555,400	1,567,549	1,604,850
Due From Other Governments	1,799,116	1,745,090	1,674,266	1,890,518	1,532,117
Prepaid Expenditures	52,195	22,589	22,005	10,424	6,478
<u>Total Assets</u>	<u>\$ 36,406,151</u>	<u>\$ 32,845,898</u>	<u>\$ 32,820,306</u>	<u>\$ 39,263,002</u>	<u>\$ 36,832,582</u>

Liabilities and Fund Balances

Liabilities

Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 56,601	\$ 0
Accrued Liabilities	697,939	571,087	616,150	531,057	270,833
Due To Other Funds	0	0	0	0	3,605,976
Due To Other Governments	0	0	0	0	0
Due To Teachers' Retirement System	8,604,443	7,912,447	9,007,685	9,887,648	12,783,671
Due To Employees' Retirement System	805,840	804,966	787,694	915,100	958,490
Unearned Revenues	112,524	88,006	80,632	76,830	47,100
<u>Total Liabilities</u>	<u>10,220,746</u>	<u>9,376,506</u>	<u>10,492,161</u>	<u>11,467,236</u>	<u>17,666,070</u>

Fund Balances

Nonspendable	52,195	45,178	22,005	10,424	6,478
Restricted					
Reserve for Retirement Contribution - ERS	4,570,343	4,536,207	4,535,257	4,334,489	2,504,045
Reserve for Retirement Contribution - TRS	1,000,000	0	0	0	0
Reserve for Employee Benefit Accrued Liability	914,302	907,473	906,596	905,887	905,177
Reserve for Unemployment Insurance	132,086	131,100	131,040	130,992	130,943
Reserve for Liability	53,670	53,269	53,229	53,196	53,163
Reserve for Tax Certiorari	602,597	397,605	392,708	276,243	2,304,450
Buildings and Facilities Capital Reserve	3,105,062	2,001,438	1,515,941	8,500,000	0
Assigned					
Reserve for Encumbrances	1,480,717	1,476,362	1,842,021	1,650,972	1,419,566
Designated for Subsequent Year's Expenditures	5,743,000	5,743,000	5,000,000	4,000,000	3,860,000
Unassigned	8,531,433	8,177,760	7,929,348	7,933,563	7,982,690
<u>Total Fund Balances</u>	<u>26,185,405</u>	<u>23,469,392</u>	<u>22,328,145</u>	<u>27,795,766</u>	<u>19,166,512</u>

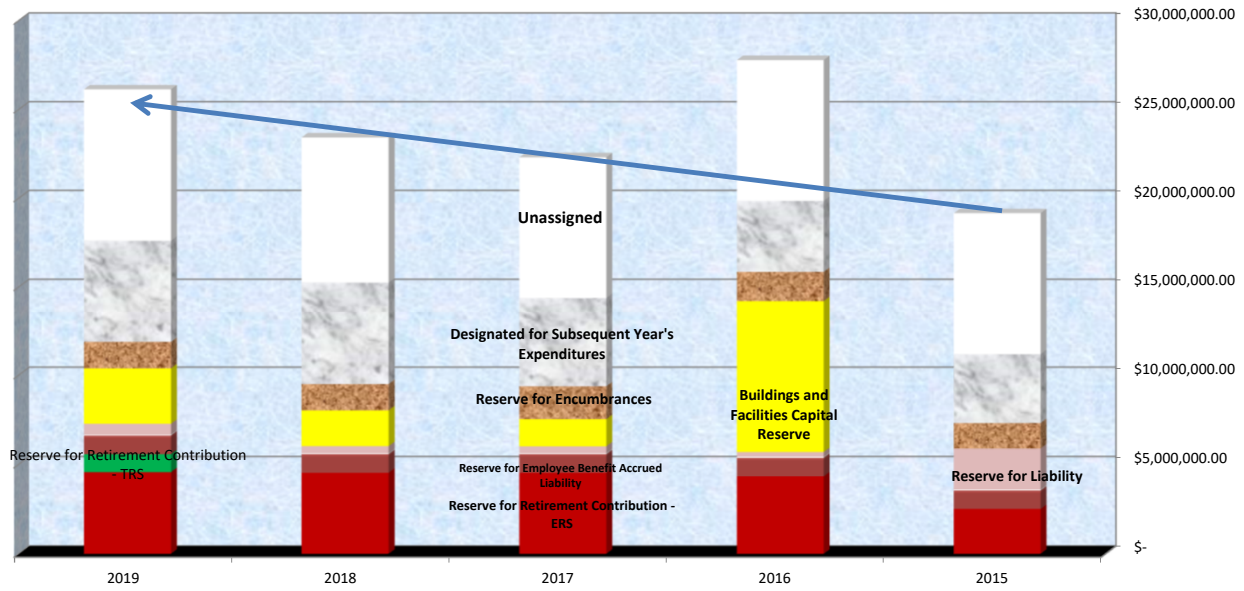
<u>Total Liabilities and Fund Balances</u>	<u>\$ 36,406,151</u>	<u>\$ 32,845,898</u>	<u>\$ 32,820,306</u>	<u>\$ 39,263,002</u>	<u>\$ 36,832,582</u>
--	----------------------	----------------------	----------------------	----------------------	----------------------

Current Assets to Liabilities	3.56	3.50	3.13	3.42	2.08
Total Fund Balances Percentage of Total Exp.	13%	12%	12%	15%	10%
Unassigned Fund Balance to Total Exp.	4%	4%	4%	4%	4%

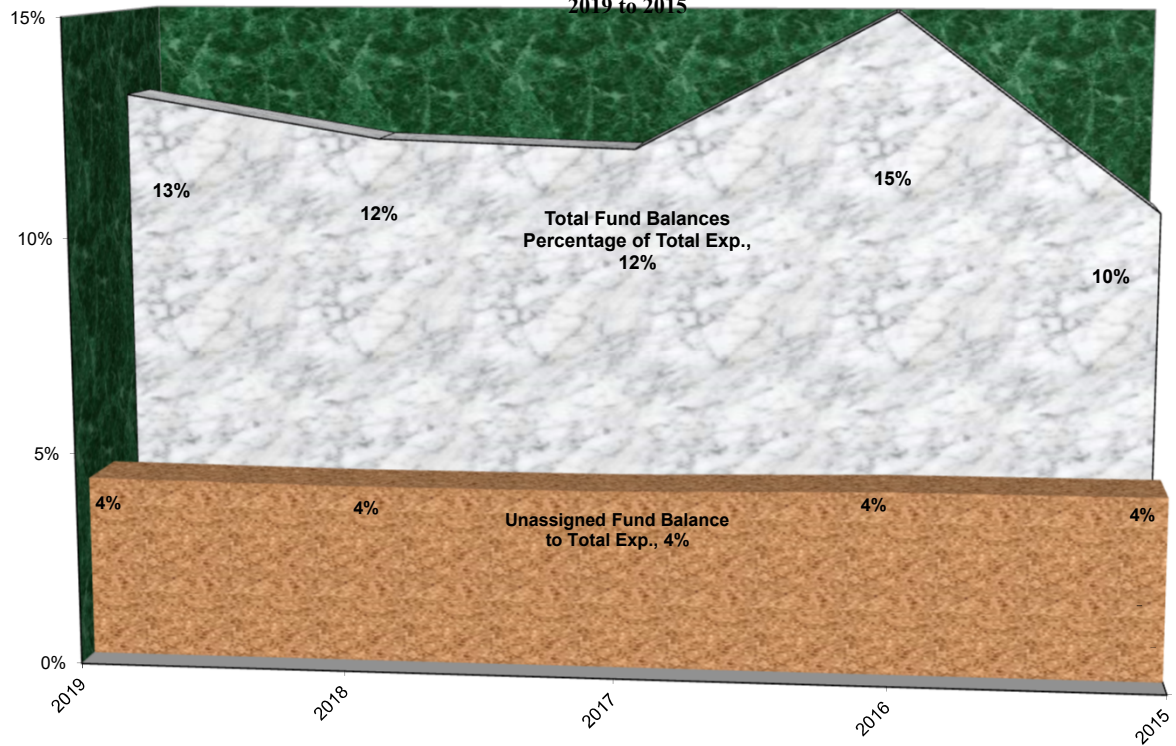
ARLINGTON CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Five Years Ended June 30, 2019 to 2015

	2019	2018	2017	2016	2015
REVENUES					
Real Property Taxes	\$ 126,256,693	\$ 122,674,449	\$ 120,434,986	\$ 120,468,027	\$ 118,375,058
Other Real Property Tax Items	13,250,750	13,923,005	14,057,393	15,016,542	15,139,279
Charges for Services	1,974,614	1,968,475	2,217,474	1,923,040	1,699,882
Use of Money and Property	1,466,828	787,368	715,735	661,985	514,071
Sale of Property and Compensation for Loss	69,962	7,623	169,200	251,709	24,644
Miscellaneous	1,028,122	1,354,494	1,367,276	1,327,052	1,189,004
State Sources	62,286,165	59,959,838	57,136,679	54,490,547	52,302,310
Federal Sources	189,855	136,493	75,749	45,701	25,435
Total Revenues	<u>206,522,989</u>	<u>200,811,745</u>	<u>196,174,492</u>	<u>194,184,603</u>	<u>189,269,683</u>
Expenditures					
General Support	14,774,363	14,488,183	14,551,776	14,476,436	14,947,005
Instruction	106,108,227	102,385,724	100,928,635	97,022,242	94,881,954
Pupil Transportation	10,532,869	10,699,321	10,401,926	10,217,160	10,148,904
Employee Benefits	56,709,281	54,555,696	50,362,722	50,201,660	52,961,574
Debt Service	13,937,004	14,669,804	14,125,299	13,101,949	12,762,276
Total Expenditures	<u>202,061,744</u>	<u>196,798,728</u>	<u>190,370,358</u>	<u>185,019,447</u>	<u>185,701,713</u>
Excess Revenues Over Expenditures	<u>4,461,245</u>	<u>4,013,017</u>	<u>5,804,134</u>	<u>9,165,156</u>	<u>3,567,970</u>
Other Financing Sources (Uses)					
Interfund Transfers From	82,941	16,699	777,297	193,660	1,047,144
Interfund Transfers To	(1,828,173)	(2,888,469)	(12,049,052)	(616,143)	(4,075,062)
Total Other Financing Sources (Uses)	<u>(1,745,232)</u>	<u>(2,871,770)</u>	<u>(11,271,755)</u>	<u>(422,483)</u>	<u>(3,027,918)</u>
Excess Revenues Over Expenditures and Other Financing Sources (Uses)	<u>\$ 2,716,013</u>	<u>\$ 1,141,247</u>	<u>\$ (5,467,621)</u>	<u>\$ 8,742,673</u>	<u>\$ 540,052</u>

ARLINGTON CENTRAL SCHOOL DISTRICT FUND BALANCE HISTORY 2019 to 2015



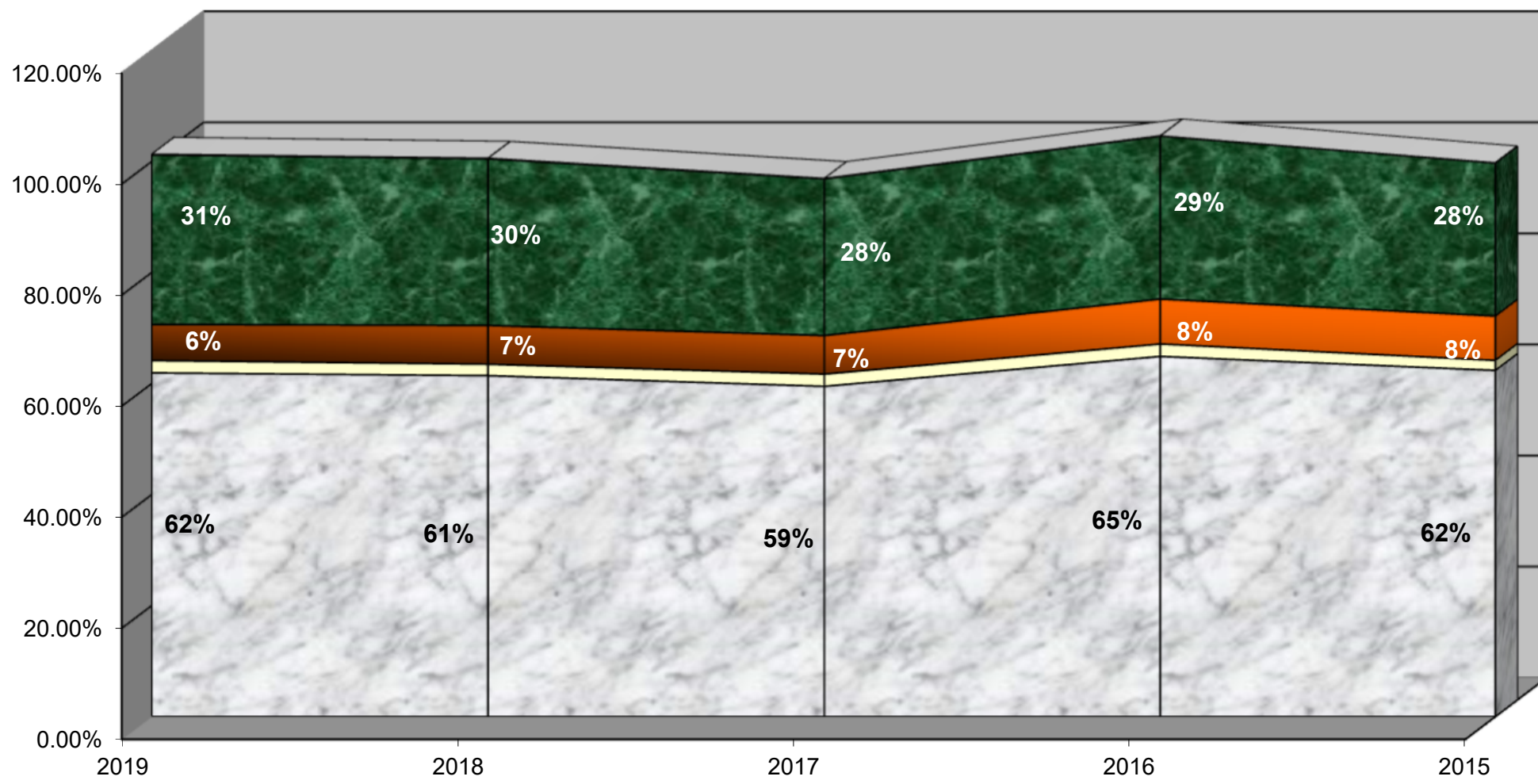
ARLINGTON CENTRAL SCHOOL DISTRICT UNASSIGNED FUND BALANCE PERCENTAGE OF BUDGET 2019 to 2015



ARLINGTON CENTRAL SCHOOL DISTRICT

STATE VS. LOCAL EFFORT

2019 to 2015



□ Federal Sources

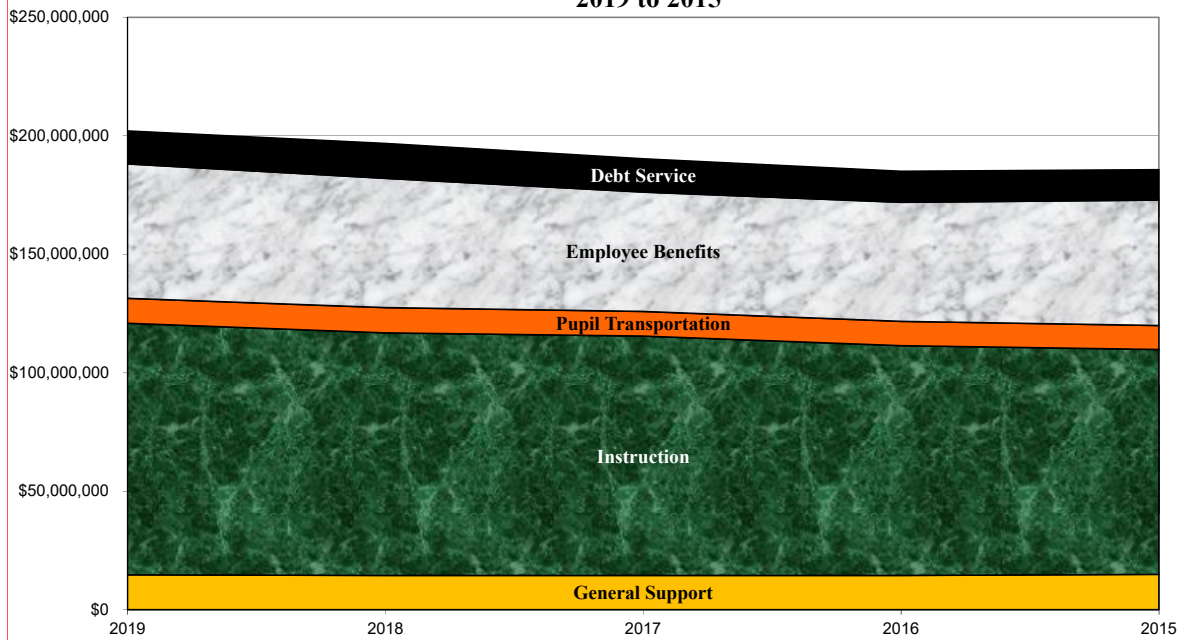
■ State Sources

■ STAR

□ Other Local Sources

□ Real Property Tax Items

**ARLINGTON CENTRAL SCHOOL DISTRICT
GENERAL FUND EXPENDITURES
2019 to 2015**



**ARLINGTON CENTRAL SCHOOL DISTRICT
EXPENDITURE PERCENTAGE OF TOTAL
2019 to 2015**

