

**ARLINGTON COMMUNITY
SCHOOL SYSTEM
INTERNAL SCHOOL FUNDS**

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

FOR THE YEAR ENDED JUNE 30, 2015

**ARLINGTON COMMUNITY SCHOOL SYSTEM
INTERNAL SCHOOL FUNDS
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Certified Public Accountants
Offices in Tennessee & Kentucky

227 Oil Well Rd.
Jackson, TN 38305

Phone 731.427.8571
Fax 731.424.5701
www.atacpa.net

Independent Auditor's Report

Board of Education
Arlington Community School System
Arlington, Tennessee

Report on the Financial Statements

We have audited the accompanying combined balance sheets – regulatory basis of Arlington Community School System (Schools) Internal School Funds, as of June 30, 2015, and the related combined statements of revenues, expenditures and changes in fund balances – regulatory basis for the year then ended, and the related notes to the financial statements, which collectively comprise the Schools' basic financial statements, as listed in the table of contents. We also have audited the individual school balance sheets' regulatory basis, and the individual school statements of revenues, expenditures, and changes in fund balances – regulatory basis, presented as supplementary information, as defined by the Governmental Accounting Standards Board (GASB), in the accompanying individual school financial statements as of and for the year ended June 30, 2015, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the *Tennessee Internal School Uniform Accounting Policy Manual*. 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 entity'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 entity'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 Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements are prepared by the Schools on the basis of the financial reporting provisions of the *Tennessee Internal School Uniform Accounting Policy Manual*, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of Tennessee.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Schools, as of June 30, 2015, or the changes in financial position for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the combined financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities and fund balance of the Schools as of June 30, 2015, and the related revenues, expenditures and changes in fund balances for the year then ended in accordance with the financial reporting provisions of the *Tennessee Internal School Uniform Accounting Policy Manual* described in Note 1. In addition, in our opinion, the individual school financial statements referred to in the first paragraph present fairly in all material respects, the assets, liabilities and fund balances of the Schools as of June 30, 2015, and the related revenues, expenditures and changes in fund balances for the year then ended in accordance with the financial reporting provisions of the *Tennessee Internal School Uniform Accounting Policy Manual* described in Note 1.

Other Matters

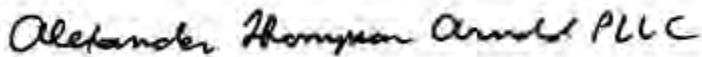
Other Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements – regulatory basis that collectively comprise the Schools’ basic financial statements. In addition, our audit was conducted for the purpose of forming an opinion on the individual school financial statements – regulatory basis, presented as supplementary information, as defined by the GASB. The supplemental schedules, as listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements – regulatory basis of the schools. As described in Note 1 of the financial statements, the supplemental schedules and other information, as listed in the table of contents, are prepared by the Schools on the basis of the financial reporting provisions of the *Tennessee Internal School Uniform Accounting Policy Manual*, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The supplemental schedules and other information, as listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements – regulatory basis. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements – regulatory basis and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements – regulatory basis themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules and other information, as listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements – regulatory basis as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2015 on our consideration of the Schools internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Schools internal control over financial reporting and compliance.



Jackson, Tennessee
September 21, 2015

FINANCIAL SECTION

**ARLINGTON COMMUNITY SCHOOL SYSTEM
INTERNAL SCHOOL FUNDS
COMBINED BALANCE SHEET - REGULATORY BASIS
June 30, 2015**

	Arlington High School	Arlington Middle School	Donelson Elementary School	Arlington Elementary School	Total
Assets					
Cash in bank	\$ 589,662	\$ 110,923	\$ 12,759	\$ 118,295	\$ 831,639
Inventory	-	-	13,940	4,382	18,322
Total assets	<u>\$ 589,662</u>	<u>\$ 110,923</u>	<u>\$ 26,699</u>	<u>\$ 122,677</u>	<u>\$ 849,961</u>
Liabilities and Fund Balances					
General Fund:					
Nonspendable	\$ -	\$ -	\$ 13,940	\$ 4,382	\$ 18,322
Unassigned	<u>235,886</u>	<u>74,851</u>	<u>6,926</u>	<u>107,697</u>	<u>425,360</u>
Total general fund	235,886	74,851	20,866	112,079	443,682
Restricted Fund:					
Restricted	16,415	6,007	16	1,455	23,893
Assigned	<u>337,361</u>	<u>30,065</u>	<u>5,817</u>	<u>9,143</u>	<u>382,386</u>
Total restricted fund	353,776	36,072	5,833	10,598	406,279
Total fund balances	<u>589,662</u>	<u>110,923</u>	<u>26,699</u>	<u>122,677</u>	<u>849,961</u>
Total liabilities and fund balances	<u>\$ 589,662</u>	<u>\$ 110,923</u>	<u>\$ 26,699</u>	<u>\$ 122,677</u>	<u>\$ 849,961</u>

The accompanying notes are an integral part of these financial statements.

**ARLINGTON COMMUNITY SCHOOL SYSTEM
INTERNAL SCHOOL FUNDS
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2015**

	<u>Arlington High School</u>	<u>Arlington Middle School</u>	<u>Donelson Elementary School</u>	<u>Arlington Elementary School</u>	<u>Total</u>
Fund Balances July 1, 2014	\$ 474,741	\$ 105,186	\$ 28,795	\$ 135,123	\$ 743,845
Revenues	845,075	202,800	166,075	229,640	1,443,590
Expenditures	<u>730,154</u>	<u>197,063</u>	<u>168,171</u>	<u>242,086</u>	<u>1,337,474</u>
Excess of revenues over (under) expenditures	<u>114,921</u>	<u>5,737</u>	<u>(2,096)</u>	<u>(12,446)</u>	<u>106,116</u>
Other Financing Sources (Uses)					
Transfers in	4,181	-	-	-	4,181
Transfers out	<u>(4,181)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,181)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>114,921</u>	<u>5,737</u>	<u>(2,096)</u>	<u>(12,446)</u>	<u>106,116</u>
Fund balances, June 30, 2015	<u>\$ 589,662</u>	<u>\$ 110,923</u>	<u>\$ 26,699</u>	<u>\$ 122,677</u>	<u>\$ 849,961</u>

The accompanying notes are an integral part of the financial statements.

ARLINGTON COMMUNITY SCHOOL SYSTEM
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

BACKGROUND

Section 49-2-110, *Tennessee Code Annotated*, provides for student activity funds, establishes responsibility for those funds, and requires schools to adopt and follow a uniform accounting manual. This section excludes parent-teacher and parent-student support organizations from the accounting, record keeping, and other requirements of this section.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

This report includes only the internal school funds of the Arlington Community School System Internal School Funds (Schools). Internal school funds consist of financial resources accounted for at the individual schools.

Internal School Funds

Internal school funds reported in the accompanying financial statements include donations and grants made to the individual schools; fees collected by schools; funds received from the local board of education; funds raised through cooperative agreements; rental fees; and student activity funds.

Student Activity Funds

Student activity funds include all money received from any source for school sponsored student activities or school-sponsored events held at or in connection with a school, and specifically include, but are not limited to funds:

- Derived from a school-sponsored academic, art, athletic, or social event involving students;
- Raised by school-sponsored clubs involving students;
- Raised by school-sponsored fundraisers involving students who are under the supervision of a school employee;
- Received from a commission for the direct sale of items to students pursuant to a cooperative agreement between the school and an outside organization;
- Received for the direct sale of items to students from a school-run bookstore located on school grounds;
- Raised from fees charged to students;
- Obtained from interest from any account that contains student activity funds;
- Obtained from any related school-sponsored activity that involves the use of school personnel, students, and property during the school day.

Other Comprehensive Basis of Accounting

The accounting and financial reporting requirements for school internal funds are set forth in the *Tennessee Internal School Uniform Accounting Policy Manual (the Manual)*, issued by the Tennessee Department of Education. The requirements established in the Manual differ from generally accepted accounting principles primarily in the presentation of the financial statements and restricted fund revenue and expenditure accounting and reporting. The following is a summary of the basic requirements of this other comprehensive basis of accounting.

ARLINGTON COMMUNITY SCHOOL SYSTEM
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

The financial statements consist of balance sheets and statements of revenues, expenditures and changes in fund balances.

The combined financial statements present all of the individual schools in a columnar format and are required to be presented before the notes to the financial statements. These statements focus on each of the individual schools rather than the funds within the schools. In keeping with that focus, the columnar headings identify the individual schools rather than the funds.

The individual school financial statements present the detailed fund activity in each school and are included after the notes to the financial statements.

Revenues are classified by source and expenditures are classified by either function or object for the general fund but not the restricted fund. Revenues and expenditures of the restricted fund are recorded based on the specific group or activity which will benefit or expend the funds. The activity in the restricted "accounts" is presented as total revenues and transfers in and total expenditures and transfers out for each account. A corresponding "fund balance" is presented for each account. Although the restricted fund is a single fund, each account within the fund must present its portion of the restricted fund balance. Transfers reported on the financial statements represent authorized movement of funds between restricted accounts as well as between the general fund and restricted fund.

Measurement Focus/Basis of Accounting

The accompanying financial statements are reported using the current financial resources measurement focus. Accordingly, only current assets and current liabilities are included on the balance sheets and the fund balances report only spendable resources. Internal school funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. Management policies define available as collectible within 30 days after the fiscal year end. Expenditures are generally recognized when the related fund liability is incurred, if measurable.

Fund Structure

The accounts of the individual schools are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts, which are comprised of the fund's assets, liabilities, fund equity, revenues, and expenditures. The funds are grouped in the accompanying financial statements as follows:

General Fund

The general fund is used to account for all money to be used for the general operation of the school or for the welfare of the student body. Revenues and expenditures in this fund are not restricted to any specific group or activity.

Restricted Fund

The restricted fund is used to account for money that is restricted for the use of a specific segment of the school population or legally restricted for a specific purpose and not intended to benefit the general school population.

ARLINGTON COMMUNITY SCHOOL SYSTEM
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Fund Transfers

Transfers represent donations or gifts from one fund to another. Reimbursements of expenses allocated among various funds are not shown as transfers, but are reflected as expenditures in the appropriate funds.

Inventory

Inventories are stated at lower of cost (first-in, first-out) or market (net realizable value). The consumption method is used to account for inventories. Under the consumption method, a physical count of inventories is made at year-end and the financials are adjusted to the year end value. However, significant amounts of inventory, if any, on hand at year-end are reported as an asset in the financial statements. In accordance with generally accepted accounting principles, the fair value of donated goods and supplies are recognized as revenues and expenditures in the financial statements. For the current year no significant amounts of such donations were received.

Fund Balances

Nonspendable Fund Balance

Fund balances reported as non-spendable in the accompanying financial statements represent amounts for inventory in the general fund.

Restricted Fund Balance

Fund balances reported as restricted are the result of externally imposed restrictions placed upon certain resources accounted for in the restricted funds. This includes BEP (Basic Education Program) funds and grant funds.

When both restricted and unrestricted resources are available for use, it is the school system's policy to use restricted resources first, then unrestricted resources as they are needed.

Assigned Fund Balance

Amounts that are constrained by each school's intent to be used for specific purposes are reflected as assigned in the accompanying financial statements. This includes accounts reported in the restricted fund at each school, except for those that account for externally restricted resources as described above. Inventory amounts for restricted accounts are reflected as assigned because the use of the proceeds from the sale of those inventories is assigned. Board of Education allocation amounts not spent by the end of the fiscal year are reflected as assigned in the general fund because the Board's intent is for those resources to be expended for instruction, administration, and/or operations and maintenance.

The Board of Education is authorized to assign amounts for specific purposes with respect to the amounts they allocate to the individual schools. The principal is the official authorized to assign all other amounts to a specific purpose. Authorization is established by the *Tennessee Internal School Uniform Accounting Policy Manual*.

Unassigned Fund Balance

In accordance with generally accepted accounting principles, the general fund is the only fund at each school that reports amounts for unassigned fund balance. This classification represents fund balance that is not restricted and has not been assigned to specific purposes within the general fund.

ARLINGTON COMMUNITY SCHOOL SYSTEM
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

When both assigned and unassigned resources are available for use, it is the school system's policy to use assigned resources first, then unassigned resources as they are needed.

The fund balance detail for the Arlington Community Schools is reflected below. Additional detail is provided on the individual school financial statements.

	<u>Nonspendable:</u>		<u>Total General</u>	
	<u>Inventory</u>	<u>Unassigned:</u>	<u>Fund Balances</u>	
General Fund:				
Arlington High School	\$ -	\$ 235,886	\$	235,886
Arlington Middle School	-	74,851		74,851
Donelson Elementary School	13,940	6,926		20,866
Arlington Elementary School	4,382	107,697		112,079
Total General Fund	\$ 18,322	\$ 425,360	\$	443,682

	<u>Restricted to:</u>		<u>Assigned to:</u>		<u>Total</u>	
	<u>Grant/ donation funds</u>	<u>Unspent BEP allocations</u>	<u>Restricted Funds</u>	<u>Restricted Fund Balances</u>		
Restricted Fund:						
Arlington High School	\$ 16,415	\$ -	\$ 337,361	\$	353,776	
Arlington Middle School	1,078	4,929	30,065		36,072	
Donelson Elementary School	16	-	5,817		5,833	
Arlington Elementary School	937	518	9,143		10,598	
Total Restricted Fund	\$ 18,446	\$ 5,447	\$ 382,386	\$	406,279	

NOTE 2 – DEPOSITS

Legal Provisions

All deposits with financial institutions in excess of FDIC limits are required to be secured by one of two methods. Excess funds can be deposited with a financial institution(s) that participates in the State of Tennessee Bank Collateral Pool administered by the state treasurer. For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount of the deposits.

Cash Deposits

Cash in bank represents funds on deposit in various depositories.

ARLINGTON COMMUNITY SCHOOL SYSTEM
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the school's deposits may not be returned to it. None of the school's deposits were exposed to custodial credit risk because all balances were entirely insured by the FDIC or through the Bank Collateral Pool with the State of Tennessee.

NOTE 3 - COMMITMENTS

Capital Assets

Capital assets acquired by the individual schools are recorded as expenditures at the time of purchase. Title and accountability for capital assets purchased pass automatically to the board of education.

SUPPLEMENTARY INFORMATION

**ARLINGTON COMMUNITY SCHOOL SYSTEM
INTERNAL SCHOOL FUNDS
ARLINGTON HIGH SCHOOL
BALANCE SHEET - REGULATORY BASIS
June 30, 2015**

	<u>Assets</u>		<u>Fund Balances</u>			<u>Total Fund Balances</u>
	<u>Cash in Bank</u>	<u>Total Assets</u>	<u>Restricted</u>	<u>Assigned</u>	<u>Unassigned</u>	
General Fund	\$ 235,886	\$ 235,886	-	\$ -	\$ 235,886	\$ 235,886
Restricted Funds						
Athletics:						
Athletics	3,205	3,205	-	3,205	-	3,205
Basketball	10,061	10,061	-	10,061	-	10,061
Football	49,205	49,205	-	49,205	-	49,205
Wrestling	2,296	2,296	-	2,296	-	2,296
Volleyball	1,481	1,481	-	1,481	-	1,481
Soccer	2,967	2,967	-	2,967	-	2,967
Baseball	9,654	9,654	-	9,654	-	9,654
Softball	2,587	2,587	-	2,587	-	2,587
Cross country	501	501	-	501	-	501
Tennis	1,080	1,080	-	1,080	-	1,080
Bowling	1,457	1,457	-	1,457	-	1,457
Swimming	6,995	6,995	-	6,995	-	6,995
Total athletics	91,489	91,489	-	91,489	-	91,489
Departments:						
Library	950	950	-	950	-	950
Physical education	6,188	6,188	-	6,188	-	6,188
Band	1,100	1,100	-	1,100	-	1,100
Chorus	9,411	9,411	-	9,411	-	9,411
Music	1,603	1,603	-	1,603	-	1,603
Drama	20,358	20,358	-	20,358	-	20,358
Science	1,594	1,594	-	1,594	-	1,594
Theatre	3,452	3,452	-	3,452	-	3,452
Guidance department	2,249	2,249	-	2,249	-	2,249
Freshman transition	1,500	1,500	-	1,500	-	1,500

The accompanying notes are an integral part of the financial statements.

**ARLINGTON COMMUNITY SCHOOL SYSTEM
INTERNAL SCHOOL FUNDS
ARLINGTON HIGH SCHOOL
BALANCE SHEET - REGULATORY BASIS
June 30, 2015**

	<u>Assets</u>		<u>Fund Balances</u>			<u>Total Fund Balances</u>
	<u>Cash in Bank</u>	<u>Total Assets</u>	<u>Restricted</u>	<u>Assigned</u>	<u>Unassigned</u>	
Graduation	12,110	12,110	-	12,110	-	12,110
Art department	74	74	-	74	-	74
Art I	304	304	-	304	-	304
Art II	1,067	1,067	-	1,067	-	1,067
Special education	3,829	3,829	-	3,829	-	3,829
English	1,222	1,222	-	1,222	-	1,222
Dual enrollment	2	2	-	2	-	2
English II	75	75	-	75	-	75
Student activity	49,394	49,394	-	49,394	-	49,394
Business technology	708	708	-	708	-	708
Video/TV	5,701	5,701	-	5,701	-	5,701
Film I	1,664	1,664	-	1,664	-	1,664
Film II	1,479	1,479	-	1,479	-	1,479
Spanish II	3,083	3,083	-	3,083	-	3,083
French	58	58	-	58	-	58
Strings	9,235	9,235	-	9,235	-	9,235
Accounting	1,658	1,658	-	1,658	-	1,658
Marketing	475	475	-	475	-	475
Leisure craft	451	451	-	451	-	451
Cosmetology	644	644	-	644	-	644
Home economics 1	670	670	-	670	-	670
Home economics 2	204	204	-	204	-	204
Home economics 3	356	356	-	356	-	356
Total departments	<u>142,868</u>	<u>142,868</u>	<u>-</u>	<u>142,868</u>	<u>-</u>	<u>142,868</u>
General clubs:						
Spanish club	134	134	-	134	-	134
French club	358	358	-	358	-	358

The accompanying notes are an integral part of the financial statements.

**ARLINGTON COMMUNITY SCHOOL SYSTEM
INTERNAL SCHOOL FUNDS
ARLINGTON HIGH SCHOOL
BALANCE SHEET - REGULATORY BASIS
June 30, 2015**

	<u>Assets</u>		<u>Fund Balances</u>			<u>Total Fund Balances</u>
	<u>Cash in Bank</u>	<u>Total Assets</u>	<u>Restricted</u>	<u>Assigned</u>	<u>Unassigned</u>	
Latin club	58	58	-	58	-	58
Multiculture club	1,396	1,396	-	1,396	-	1,396
Science club	220	220	-	220	-	220
Government	794	794	-	794	-	794
Young republicans	240	240	-	240	-	240
FBLA	904	904	-	904	-	904
Skills USA	1,011	1,011	-	1,011	-	1,011
Drama	161	161	-	161	-	161
Thespian club	810	810	-	810	-	810
Photography club	300	300	-	300	-	300
Video	99	99	-	99	-	99
Speech club	37	37	-	37	-	37
FCCLA 1	1,537	1,537	-	1,537	-	1,537
Beta	4,138	4,138	-	4,138	-	4,138
National Honor Society	1,188	1,188	-	1,188	-	1,188
Art Honor Society	18	18	-	18	-	18
Spanish Honor Society	394	394	-	394	-	394
National Technical Honor Society	823	823	-	823	-	823
National English Honor Society	689	689	-	689	-	689
National Science Honor Society	1,856	1,856	-	1,856	-	1,856
Mu Alpha Theta	1,772	1,772	-	1,772	-	1,772
Key Club	2,442	2,442	-	2,442	-	2,442
SGA	3,766	3,766	-	3,766	-	3,766
SADD	209	209	-	209	-	209
HOSA	6,095	6,095	-	6,095	-	6,095
Leo club	887	887	-	887	-	887
Blue crew	711	711	-	711	-	711
Ambassadors	288	288	-	288	-	288

The accompanying notes are an integral part of the financial statements.

**ARLINGTON COMMUNITY SCHOOL SYSTEM
INTERNAL SCHOOL FUNDS
ARLINGTON HIGH SCHOOL
BALANCE SHEET - REGULATORY BASIS
June 30, 2015**

	<u>Assets</u>		<u>Fund Balances</u>			<u>Total Fund Balances</u>
	<u>Cash in Bank</u>	<u>Total Assets</u>	<u>Restricted</u>	<u>Assigned</u>	<u>Unassigned</u>	
Click	381	381	-	381	-	381
Knowledge bowl	110	110	-	110	-	110
Future Teachers of America	55	55	-	55	-	55
Poetry club	500	500	-	500	-	500
Newspaper club	1,910	1,910	-	1,910	-	1,910
Yearbook club	2,774	2,774	-	2,774	-	2,774
DECA	99	99	-	99	-	99
Varsity BB Cheerleaders	686	686	-	686	-	686
Prom	45,714	45,714	-	45,714	-	45,714
Dance club	121	121	-	121	-	121
Pom club	236	236	-	236	-	236
AHS Quidditch Association	121	121	-	121	-	121
Sports medicine club	2,175	2,175	-	2,175	-	2,175
Criminal justice club	317	317	-	317	-	317
Tri-m	355	355	-	355	-	355
Best buddies	459	459	-	459	-	459
Total general clubs	<u>89,655</u>	<u>89,655</u>	<u>-</u>	<u>89,655</u>	<u>-</u>	<u>89,655</u>
Other:						
Individual teacher grants	50	50	50	-	-	50
Local/City grants	15	15	15	-	-	15
Exxon grant	966	966	966	-	-	966
Arlington Education Foundation Grant	1,005	1,005	1,005	-	-	1,005
Alive at 25	11,500	11,500	11,500	-	-	11,500
Walmart donation	549	549	549	-	-	549
Star donation	170	170	170	-	-	170
Mark Collins Scholarship	2,160	2,160	2,160	-	-	2,160

The accompanying notes are an integral part of the financial statements.

**ARLINGTON COMMUNITY SCHOOL SYSTEM
INTERNAL SCHOOL FUNDS
ARLINGTON HIGH SCHOOL
BALANCE SHEET - REGULATORY BASIS
June 30, 2015**

	<u>Assets</u>		<u>Fund Balances</u>			<u>Total Fund Balances</u>
	<u>Cash in Bank</u>	<u>Total Assets</u>	<u>Restricted</u>	<u>Assigned</u>	<u>Unassigned</u>	
Teacher/faculty staff morale	13,349	13,349	-	13,349	-	13,349
Total other	29,764	29,764	16,415	13,349	-	29,764
Total restricted funds	353,776	353,776	16,415	337,361	-	353,776
Total all funds	<u>\$ 589,662</u>	<u>\$ 589,662</u>	<u>\$ 16,415</u>	<u>\$ 337,361</u>	<u>\$ 235,886</u>	<u>\$ 589,662</u>

The accompanying notes are an integral part of the financial statements.

**ARLINGTON COMMUNITY SCHOOL SYSTEM
INTERNAL SCHOOL FUNDS
ARLINGTON HIGH SCHOOL
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2015**

	<u>Fund Balance 7/1/14</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Fund Balance 6/30/15</u>
General Fund						
Administration	\$ -	\$ 23,514	\$ 22,851	\$ -	\$ -	\$ -
Board allocations	-	5,005	-	-	-	-
Resale items	-	17,855	10,158	-	-	-
Pictures	-	10,169	-	-	-	-
School publications	-	47,977	55,937	-	-	-
Unallocated donations	-	8,003	-	-	-	-
Interest	-	3,003	-	-	-	-
Instruction	-	-	11,349	-	-	-
Fees	-	102,956	61,240	-	-	-
Operation and maintenance	-	-	15,021	-	-	-
Total general fund	<u>192,690</u>	<u>218,482</u>	<u>176,556</u>	<u>1,270</u>	<u>-</u>	<u>235,886</u>
Restricted Funds						
Athletics:						
Athletics	2,247	2,649	1,691	-	-	3,205
Basketball	11,605	34,173	35,717	-	-	10,061
Football	22,614	101,612	75,021	-	-	49,205
Wrestling	2,090	6,606	6,400	-	-	2,296
Volleyball	419	5,615	4,553	-	-	1,481
Soccer	2,110	11,830	10,973	-	-	2,967
Baseball	3,733	24,878	18,957	-	-	9,654
Softball	1,917	5,204	4,534	-	-	2,587
Cross country	685	-	184	-	-	501
Golf	1	500	501	-	-	-
Tennis	548	1,440	908	-	-	1,080
Bowling	658	2,250	1,451	-	-	1,457
Swimming	2,419	11,410	6,834	-	-	6,995
Total athletics	<u>51,046</u>	<u>208,167</u>	<u>167,724</u>	<u>-</u>	<u>-</u>	<u>91,489</u>
Departments:						
Library	794	4,056	3,900	-	-	950
Physical education	2,707	13,770	10,289	-	-	6,188
Band	3,410	6,788	9,098	-	-	1,100
Chorus	13,120	11,702	15,411	-	-	9,411
Music	2,497	206	1,100	-	-	1,603
Drama	26,283	12,821	18,746	-	-	20,358
Science	3,081	4,647	6,134	-	-	1,594
Theatre	2,902	550	-	-	-	3,452
Guidance department	3,950	825	2,526	-	-	2,249
Freshman transition	1,500	-	-	-	-	1,500
Graduation	6,639	42,570	37,099	-	-	12,110
Art department	195	6,840	6,961	-	-	74

The accompanying notes are an integral part of the financial statements.

**ARLINGTON COMMUNITY SCHOOL SYSTEM
INTERNAL SCHOOL FUNDS
ARLINGTON HIGH SCHOOL
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2015**

	Fund Balance 7/1/14	Revenues	Expenditures	Transfers In	Transfers Out	Fund Balance 6/30/15
Departments (cont.):						
Art I	\$ 1,222	\$ 5,785	\$ 6,703	\$ -	\$ -	\$ 304
Art II	1,120	7,830	7,883	-	-	1,067
Art III	527	-	527	-	-	-
Special education	4,351	2,384	2,906	-	-	3,829
English	1,222	-	-	-	-	1,222
Dual enrollment	-	14,607	14,605	-	-	2
English II	-	1,771	1,696	-	-	75
Student activity	35,138	35,674	21,418	-	-	49,394
Business technology	477	480	249	-	-	708
Video/TV	7,960	4,640	6,899	-	-	5,701
Film I	-	2,495	831	-	-	1,664
Film II	-	7,860	6,381	-	-	1,479
Spanish II	1,189	4,211	2,317	-	-	3,083
French	519	1,125	1,586	-	-	58
Strings	7,679	15,233	13,677	-	-	9,235
Accounting	1,678	1,740	1,760	-	-	1,658
Marketing	918	9,369	8,512	-	1,300	475
Leisure craft	704	475	728	-	-	451
Cosmetology	689	7,389	7,434	-	-	644
Home economics 1	-	450	317	537	-	670
Home economics 2	-	835	1,168	537	-	204
Home economics 3	-	1,595	1,776	537	-	356
Family and consumer science	1,611	-	-	-	1,611	-
Food/textiles	-	467	467	-	-	-
Leisure craft technology	-	112	112	-	-	-
Cosmetology	-	395	395	-	-	-
Business/Information	-	404	404	-	-	-
Business technology II	-	173	173	-	-	-
Home economics II	-	377	377	-	-	-
Home economics III	-	465	465	-	-	-
Marketing education	-	33	33	-	-	-
Total departments	<u>134,082</u>	<u>233,149</u>	<u>223,063</u>	<u>1,611</u>	<u>2,911</u>	<u>142,868</u>
General clubs:						
Spanish club	310	640	816	-	-	134
French club	729	900	1,271	-	-	358
Latin club	265	1,000	1,207	-	-	58
Multiculture club	1,396	-	-	-	-	1,396
Science club	428	600	808	-	-	220
Government	794	-	-	-	-	794
Young republicans	240	-	-	-	-	240
Leaders of the PAC	825	-	-	-	825	-
FBLA	776	5,537	6,709	1,300	-	904
Skills USA	1,652	175	816	-	-	1,011
Drama	189	30	58	-	-	161
Thespian club	907	210	307	-	-	810
Photography club	300	-	-	-	-	300
Video	195	-	96	-	-	99

The accompanying notes are an integral part of the financial statements.

**ARLINGTON COMMUNITY SCHOOL SYSTEM
INTERNAL SCHOOL FUNDS
ARLINGTON HIGH SCHOOL
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2015**

	Fund Balance 7/1/14	Revenues	Expenditures	Transfers In	Transfers Out	Fund Balance 6/30/15
General clubs (cont.):						
Speech club	\$ 152	\$ 20	\$ 135	\$ -	\$ -	\$ 37
FCCLA 1	2,248	15,953	16,664	-	-	1,537
Beta	4,013	11,790	11,665	-	-	4,138
National Honor Society	911	1,415	1,138	-	-	1,188
Art Honor Society	88	1,055	1,125	-	-	18
Spanish Honor Society	529	1,545	1,680	-	-	394
National Technical Honor Society	601	950	728	-	-	823
National English Honor Society	1,317	939	1,567	-	-	689
National Science Honor Society	1,458	1,667	1,269	-	-	1,856
Mu Alpha Theta	1,279	2,150	1,657	-	-	1,772
Key Club	2,941	2,100	2,599	-	-	2,442
SGA	2,323	26,159	24,716	-	-	3,766
SADD	209	-	-	-	-	209
HOSA	4,210	4,195	2,310	-	-	6,095
Leo club	887	-	-	-	-	887
Blue crew	-	7,105	6,394	-	-	711
Ambassadors	458	220	390	-	-	288
Click	481	-	100	-	-	381
FCA	220	-	-	-	-	220
Chess club	7	80	-	-	-	87
Knowledge bowl	70	40	-	-	-	110
Future Teachers of America	55	-	-	-	-	55
Poetry club	500	-	-	-	-	500
Newspaper club	1,819	144	53	-	-	1,910
Yearbook club	2,807	-	33	-	-	2,774
DECA	222	8	131	-	-	99
Varsity Cheerleaders	702	1,959	2,661	-	-	-
Varsity BB Cheerleaders	992	198	504	-	-	686
Prom	33,928	30,760	18,974	-	-	45,714
Dance club	121	1,900	1,900	-	-	121
Pom club	338	-	102	-	-	236
AHS Quidditch Association	121	60	60	-	-	121
Sports medicine club	4,865	1,900	4,590	-	-	2,175
Criminal justice club	334	-	17	-	-	317
Tri-m	-	735	380	-	-	355
Best buddies	588	1,880	2,009	-	-	459
Rocketry club	25	-	-	-	25	-
Water polo club	-	2,075	2,075	-	-	-
Total general clubs	<u>80,825</u>	<u>128,094</u>	<u>119,714</u>	<u>1,300</u>	<u>850</u>	<u>89,655</u>
Other:						
Staff development	-	105	105	-	-	-
Board Allocations - BEP	-	23,200	23,200	-	-	-
Individual teacher grants	-	50	-	-	-	50
Local/City grants	15	-	-	-	-	15
SCS Education Foundation Grant	89	-	89	-	-	-
Exxon grant	466	500	-	-	-	966
Arlington Education Foundation Grant	-	2,000	995	-	-	1,005
Alive at 25 grant	-	11,500	-	-	-	11,500
Walmart donation	549	-	-	-	-	549

The accompanying notes are an integral part of the financial statements.

**ARLINGTON COMMUNITY SCHOOL SYSTEM
INTERNAL SCHOOL FUNDS
ARLINGTON HIGH SCHOOL
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2015**

	Fund Balance 7/1/14	Revenues	Expenditures	Transfers In	Transfers Out	Fund Balance 6/30/15
Other (cont.):						
Coke donator	\$ 4,866	\$ -	\$ 4,866	\$ -	\$ -	\$ -
Star donator	170	-	-	-	-	170
Mark Collins Scholarship	509	1,651	-	-	-	2,160
A.C.S. collections	-	3,100	3,100	-	-	-
Community collections	-	3,576	3,576	-	-	-
E4TN courses	420	-	-	-	420	-
Teacher/faculty staff morale	9,014	11,501	7,166	-	-	13,349
Total other	<u>16,098</u>	<u>57,183</u>	<u>43,097</u>	<u>-</u>	<u>420</u>	<u>29,764</u>
 Total restricted funds	 <u>282,051</u>	 <u>626,593</u>	 <u>553,598</u>	 <u>2,911</u>	 <u>4,181</u>	 <u>353,776</u>
 Total all funds	 <u>\$ 474,741</u>	 <u>\$ 845,075</u>	 <u>\$ 730,154</u>	 <u>\$ 4,181</u>	 <u>\$ 4,181</u>	 <u>\$ 589,662</u>

The accompanying notes are an integral part of the financial statements.

**ARLINGTON COMMUNITY SCHOOL SYSTEM
INTERNAL SCHOOL FUNDS
ARLINGTON MIDDLE SCHOOL
BALANCE SHEET - REGULATORY BASIS
June 30, 2015**

	Assets		Liabilities and Fund Balances			
	Cash in Bank	Total Assets	Fund Balances			Total Fund Balances
			Restricted	Assigned	Unassigned	
General Fund	<u>\$ 74,851</u>	<u>\$ 74,851</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,851</u>	<u>\$ 74,851</u>
Restricted Funds						
Basketball	3,457	3,457	-	3,457	-	3,457
Library	580	580	-	580	-	580
Band	2,686	2,686	-	2,686	-	2,686
Drama	688	688	-	688	-	688
Science	6	6	-	6	-	6
Student needs	350	350	-	350	-	350
Art department	1,433	1,433	-	1,433	-	1,433
Strings	11,663	11,663	-	11,663	-	11,663
Art club	699	699	-	699	-	699
Jr. Beta club	2,113	2,113	-	2,113	-	2,113
Jr. National Honor Society	2,107	2,107	-	2,107	-	2,107
SGA	2,204	2,204	-	2,204	-	2,204
Ambassadors	117	117	-	117	-	117
Builder's club	386	386	-	386	-	386
Yearbook club	360	360	-	360	-	360
Lost library books	29	29	-	29	-	29
Board allocations - BEP	4,929	4,929	4,929	-	-	4,929
Individual teacher grants	103	103	103	-	-	103
Race for education	47	47	-	47	-	47
Arlington Education Foundation Gran	356	356	356	-	-	356
P.T.A. donation	35	35	35	-	-	35
Miscellaneous	72	72	-	72	-	72
Enrichment grant	572	572	572	-	-	572
A.C.S. collections	12	12	12	-	-	12
Sunshine	48	48	-	48	-	48
Teacher/faculty staff morale	1,020	1,020	-	1,020	-	1,020
 Total restricted funds	 <u>36,072</u>	 <u>36,072</u>	 <u>6,007</u>	 <u>30,065</u>	 <u>-</u>	 <u>36,072</u>
 Total all funds	 <u>\$ 110,923</u>	 <u>\$ 110,923</u>	 <u>\$ 6,007</u>	 <u>\$ 30,065</u>	 <u>\$ 74,851</u>	 <u>\$ 110,923</u>

The accompanying notes are an integral part of the financial statements.

**ARLINGTON COMMUNITY SCHOOL SYSTEM
INTERNAL SCHOOL FUNDS
ARLINGTON MIDDLE SCHOOL
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2015**

	Fund Balance 7/1/14	Revenues	Expenditures	Fund Balance 6/30/15
General Fund				
Administration	\$ -	\$ -	\$ 11,860	\$ -
Board allocations	-	5,957	-	-
Bookstore	-	49,919	41,994	-
Pictures	-	6,513	-	-
Instruction	-	-	4,672	-
School publications	-	8,700	9,892	-
Fundraisers	-	6,634	6,634	-
Unallocated donations	-	732	-	-
Incentives	-	-	2,047	-
Entertainment	-	420	984	-
Interest	-	591	-	-
Field trips	-	-	66	-
Operation and maintenance	-	-	2,996	-
Fees	-	21,770	23,079	-
Total general fund	<u>77,839</u>	<u>101,236</u>	<u>104,224</u>	<u>74,851</u>
Restricted Funds				
Basketball	2,074	10,730	9,347	3,457
Library	1,901	12,836	14,157	580
Physical education	407	-	407	-
Band	1,920	1,528	762	2,686
Chorus	227	117	344	-
Drama	-	4,153	3,465	688
Science	6	-	-	6
Student needs	350	-	-	350
Art department	196	7,313	6,076	1,433
Strings	11,587	21,637	21,561	11,663
Art club	377	760	438	699
Art camp	-	1,560	1,560	-
Jr. Beta club	1,737	2,673	2,297	2,113
Jr. National Honor Society	572	1,740	205	2,107
SGA	1,476	3,123	2,395	2,204
Ambassadors	64	824	771	117
Builder's club	467	214	295	386
Yearbook club	395	310	345	360
Lost library books	-	134	105	29
Board allocations - BEP	-	14,934	10,005	4,929
Individual teacher grants	3	596	496	103
Race for education	59	-	12	47
Arlington Education Foundation Gran	134	2,247	2,025	356
P.T.A. donation	35	-	-	35
Miscellaneous	72	-	-	72
Enrichment grant	572	-	-	572
A.C.S. collections	-	2,786	2,774	12
Community collections	-	1,378	1,378	-
Sunshine	51	550	553	48
Teacher/faculty staff morale	2,665	9,421	11,066	1,020
Total restricted funds	<u>27,347</u>	<u>101,564</u>	<u>92,839</u>	<u>36,072</u>
Total all funds	<u>\$ 105,186</u>	<u>\$ 202,800</u>	<u>\$ 197,063</u>	<u>\$ 110,923</u>

The accompanying notes are an integral part of the financial statements.

**ARLINGTON COMMUNITY SCHOOL SYSTEM
INTERNAL SCHOOL FUNDS
DONELSON ELEMENTARY SCHOOL
BALANCE SHEET - REGULATORY BASIS**

June 30, 2015

	<u>Assets</u>			<u>Total Fund Balances</u>				<u>Total Fund Balances</u>
	<u>Cash in Bank</u>	<u>Bookstore Inventory</u>	<u>Total Assets</u>	<u>Nonspendable</u>	<u>Restricted</u>	<u>Assigned</u>	<u>Unassigned</u>	
General Fund	\$ 6,926	\$ 13,940	\$ 20,866	\$ 13,940	\$ -	\$ -	\$ 6,926	\$ 20,866
Restricted Funds								
Library	1,447	-	1,447	-	-	1,447	-	1,447
Special Education	5	-	5	-	-	5	-	5
Scrabble Club	340	-	340	-	-	340	-	340
Chorus/Music Clut	133	-	133	-	-	133	-	133
Jr. Beta Club	214	-	214	-	-	214	-	214
Lost Library Books	60	-	60	-	-	60	-	60
Arlington Education Foundation Gran	16	-	16	-	16	-	-	16
Teacher/Faculty Staff Morale	<u>3,618</u>	<u>-</u>	<u>3,618</u>	<u>-</u>	<u>-</u>	<u>3,618</u>	<u>-</u>	<u>3,618</u>
Total restricted funds	<u>5,833</u>	<u>-</u>	<u>5,833</u>	<u>-</u>	<u>16</u>	<u>5,817</u>	<u>-</u>	<u>5,833</u>
Total all funds	<u>\$ 12,759</u>	<u>\$ 13,940</u>	<u>\$ 26,699</u>	<u>\$ 13,940</u>	<u>\$ 16</u>	<u>\$ 5,817</u>	<u>\$ 6,926</u>	<u>\$ 26,699</u>

The accompanying notes are an integral part of the financial statements.

**ARLINGTON COMMUNITY SCHOOL SYSTEM
INTERNAL SCHOOL FUNDS
DONELSON ELEMENTARY SCHOOL
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2015**

	Fund Balance 7/1/14	Revenues	Expenditures	Fund Balance 6/30/15
General Fund				
Administration	\$ -	\$ -	\$ 12,982	\$ -
Bookstore	-	45,617	26,572	-
Board allocations	-	341	-	-
Instruction	-	-	28,610	-
Pictures	-	9,257	-	-
School publications	-	10,100	7,169	-
Fundraisers	-	7,617	1,287	-
Unallocated donations	-	7,510	-	-
Incentives	-	-	1,931	-
Entertainment	-	-	83	-
Interest	-	192	-	-
Field trips	-	14,380	14,181	-
Fees	-	14,729	16,379	-
Operations and maintenance	-	-	490	-
Total general fund	<u>20,807</u>	<u>109,743</u>	<u>109,684</u>	<u>20,866</u>
Restricted Funds				
Library	2,965	7,071	8,589	1,447
Special Education	5	-	-	5
Scrabble Club	379	540	579	340
Chorus/Music Club	-	690	557	133
Jr. Beta Club	13	1,660	1,459	214
Lost Library Books	-	125	65	60
Board allocations - BEP	-	10,400	10,400	-
SCS Education Foundation Grant	39	-	39	-
Race for Education	30	-	30	-
Arlington Education Foundation Grant	-	1,965	1,949	16
CVS Pharmacy Grant	10	-	10	-
P.T.A. donation	-	27,480	27,480	-
A.C.S. collections	-	1,285	1,285	-
Community collections	-	1,568	1,568	-
Teacher/Faculty Staff Morale	4,547	3,548	4,477	3,618
Total restricted funds	<u>7,988</u>	<u>56,332</u>	<u>58,487</u>	<u>5,833</u>
Total all funds	<u>\$ 28,795</u>	<u>\$ 166,075</u>	<u>\$ 168,171</u>	<u>\$ 26,699</u>

The accompanying notes are an integral part of the financial statements.

**ARLINGTON COMMUNITY SCHOOL SYSTEM
INTERNAL SCHOOL FUNDS
ARLINGTON ELEMENTARY SCHOOL
BALANCE SHEET - REGULATORY BASIS
June 30, 2015**

	<u>Assets</u>			<u>Fund Balances</u>				
	<u>Cash in Bank</u>	<u>Bookstore Inventory</u>	<u>Total Assets</u>	<u>Non-Spendable</u>	<u>Restricted</u>	<u>Assigned</u>	<u>Unassigned</u>	<u>Total Fund Balances</u>
General Fund	<u>\$ 107,697</u>	<u>\$ 4,382</u>	<u>\$ 112,079</u>	<u>\$ 4,382</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 107,697</u>	<u>\$ 112,079</u>
Restricted Funds								
Library	1,832	-	1,832	-	-	1,832	-	1,832
Physical education	110	-	110	-	-	110	-	110
Music	611	-	611	-	-	611	-	611
Art department	1,145	-	1,145	-	-	1,145	-	1,145
5th grade	670	-	670	-	-	670	-	670
Scrabble/juggling club	107	-	107	-	-	107	-	107
Nutrition council	166	-	166	-	-	166	-	166
Jr. Beta club	130	-	130	-	-	130	-	130
SGA	1,295	-	1,295	-	-	1,295	-	1,295
Board allocations - BEP	518	-	518	-	518	-	-	518
Race for education	132	-	132	-	-	132	-	132
Arlington Education Foundation C	13	-	13	-	13	-	-	13
Restricted donations	94	-	94	-	94	-	-	94
P.T.A. Donation	121	-	121	-	121	-	-	121
Fitness/playground donation	709	-	709	-	709	-	-	709
Sunshine	124	-	124	-	-	124	-	124
Teacher/faculty staff morale	2,821	-	2,821	-	-	2,821	-	2,821
Total restricted funds	<u>10,598</u>	<u>-</u>	<u>10,598</u>	<u>-</u>	<u>1,455</u>	<u>9,143</u>	<u>-</u>	<u>10,598</u>
Total all funds	<u>\$ 118,295</u>	<u>\$ 4,382</u>	<u>\$ 122,677</u>	<u>\$ 4,382</u>	<u>\$ 1,455</u>	<u>\$ 9,143</u>	<u>\$ 107,697</u>	<u>\$ 122,677</u>

The accompanying notes are an integral part of the financial statements.

**ARLINGTON COMMUNITY SCHOOL SYSTEM
INTERNAL SCHOOL FUNDS
ARLINGTON ELEMENTARY SCHOOL
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2015**

	<u>Fund Balance 7/1/14</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Fund Balance 6/30/15</u>
General Fund				
Administration	\$ -	\$ 2,417	\$ 6,973	\$ -
Bookstore	-	51,943	40,388	-
Board allocations	-	5,378	-	-
Instruction	-	-	51,174	-
Pictures	-	11,488	-	-
School publications	-	24,790	21,031	-
Fundraisers	-	35,914	22,499	-
Incentives	-	-	1,205	-
Interest	-	643	-	-
Field trips	-	24,506	23,317	-
Fees	-	25,745	25,753	-
Operations and maintenance	-	-	3,772	-
Total general fund	<u>125,367</u>	<u>182,824</u>	<u>196,112</u>	<u>112,079</u>
Restricted Funds				
Library	611	3,427	2,206	1,832
Physical educator	110	-	-	110
Music	535	3,013	2,937	611
Art department	2,715	10,793	12,363	1,145
5th grade	1,167	1,957	2,454	670
Scrabble/juggling club	161	565	619	107
Nutrition council	-	450	284	166
Jr. Beta club	445	1,144	1,459	130
SGA	1,295	-	-	1,295
Board allocations - BEF	-	14,521	14,003	518
Race for education	132	-	-	132
Arlington Education Foundation Grant	1	2,042	2,030	13
Restricted donations	312	-	218	94
P.T.A. Donation	121	-	-	121
Technology Donations	108	-	108	-
Fitness/playground donation	709	-	-	709
Community collections	-	4,290	4,290	-
Sunshine	244	1,539	1,659	124
Teacher/faculty staff morale	1,090	3,075	1,344	2,821
Total restricted funds	<u>9,756</u>	<u>46,816</u>	<u>45,974</u>	<u>10,598</u>
Total all funds	<u>\$ 135,123</u>	<u>\$ 229,640</u>	<u>\$ 242,086</u>	<u>\$ 122,677</u>

The accompanying notes are an integral part of the financial statements.

**SUPPLEMENTAL SCHEDULES AND OTHER
INFORMATION**

**ARLINGTON COMMUNITY SCHOOL SYSTEM
INTERNAL SCHOOL FUNDS
SCHEDULE OF INTERFUND AND INTERACCOUNT TRANSFERS
ARLINGTON HIGH SCHOOL
For the Year Ended June 30, 2015**

<u>Transfer out</u>	<u>Transfer in</u>					
	Home Economics 1	Home Economics 2	Home Economics 3	FBLA	General Funds	Total
Family and Consumer science	\$ 537	\$ 537	\$ 537	\$ -	\$ -	\$ 1,611
Marketing	-	-	-	1,300	-	1,300
E4TN Courses	-	-	-	-	420	420
Leaders of PAC	-	-	-	-	825	825
Rocketry Club	-	-	-	-	25	25
	<u>\$ 537</u>	<u>\$ 537</u>	<u>\$ 537</u>	<u>\$ 1,300</u>	<u>\$ 1,270</u>	<u>\$ 4,181</u>

See independent auditor's report.

**ARLINGTON COMMUNITY SCHOOL SYSTEM
INTERNAL SCHOOL FUNDS
SCHEDULE OF FIDELITY BOND COVERAGE**
For the Year Ended June 30, 2015

Insurance Company	Policy Number	Policy Period	Coverage	Coverage Amount
State Auto Insurance Co. Columbus, Ohio	5106568	1/1/14 - 1/1/15	Employee dishonesty - blanket	\$ 100,000 per occurrence \$1,000 deductible per occurrence

See independent auditor's report.

**ARLINGTON COMMUNITY SCHOOL SYSTEM
INTERNAL SCHOOL FUNDS
ROSTER OF PUBLICLY ELECTED OFFICIALS**
For the Year Ended June 30, 2015

Tammy Mason, Director of Schools

Kay Williams, Chair
Kevin Yates, Vice Chair
Barbara Fletcher
Danny Young
Dale Viox

See independent auditor's report.

INTERNAL CONTROL AND COMPLIANCE SECTION

Members of:

American Institute of Certified Public Accountants
AICPA Center for Public Company Audit Firms
AICPA Governmental Audit Quality Center
AICPA Employee Benefit Plan Audit Quality Center
Tennessee Society of Certified Public Accountants
Kentucky Society of Certified Public Accountants



Certified Public Accountants
Offices in Tennessee & Kentucky

227 Oil Well Rd.
Jackson, TN 38305

Phone 731.427.8571
Fax 731.424.5701
www.atacpa.net

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Education
Arlington Community School System
Arlington, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying combined fund balance sheets - regulatory basis and the related combined statements of revenues, expenditures, and changes in fund balances - regulatory basis of the Arlington Community School System Internal School Funds (Schools), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise School's basic financial statements - regulatory basis, and have issued our report thereon dated September 21, 2015. We also have audited the individual school balance sheets' regulatory basis, and the individual school statements of revenues, expenditures, and changes in fund balances – regulatory basis, presented as supplementary information, as defined by the Governmental Accounting Standards Board (GASB), in the accompanying individual school financial statements as of and for the year ended June 30, 2015, as listed in the table of contents. Our report disclosed that the financial statements were prepared in conformity with the accounting practices prescribed by the *Tennessee Internal School Uniform Accounting Policy Manual*, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the combined financial statements - regulatory basis and the individual school financial statements – regulatory basis presented as supplementary information as listed in the table of contents, we considered the School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements regulatory basis, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control

that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Recommendations that we consider to be significant deficiencies: (2015-001)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Schools' combined financial statements – regulatory basis and the individual school financial statements – regulatory basis presented as supplementary information as listed in the table of contents, are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Recommendations as 2015-001.

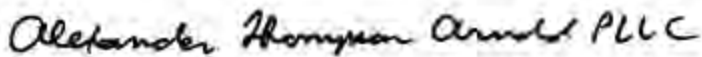
In addition, we noted other matters involving the internal control and its operation that we reported to management of the Schools in a separate letter dated September 21, 2015.

Schools' Response to Findings

The Schools' response to the findings identified in our audit are described in the accompanying Schedule of Findings and Recommendations. The Schools' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Jackson, Tennessee
September 21, 2015

ARLINGTON COMMUNITY SCHOOL SYSTEM
ACTIVITY FUNDS
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
For the Year Ended June 30, 2015

Current Year Findings

2015-001 Improper Use of General Fund Monies (Significant Deficiency and Noncompliance)

Condition

We noted multiple instances in which the schools allocated various picture commissions, vending commissions, vending company donations, and/or concession sales into the teacher/faculty staff morale account. However, since these funds were generated by, or intended for, the general student population or student restricted activities, the commissions are considered general fund or student restricted activity monies and should be deposited in the respective fund and not in teacher faculty fund.

Criteria

The *Tennessee Internal School Uniform Policy Manual*, Section 1, Title 4 states, "... money raised by students must be used to finance normal and legitimate extracurricular activities."

Effect

Misuse of general fund monies.

Recommendation

We recommend all picture and vending commissions, vending company donations and concession sales to be deposited in the general fund or respective restricted fund.

Response

Arlington High School

The coke contract states that vending monies can be placed in the Faculty/Teacher Morale account or Educator/ Student reward. Upon advisement from the audit firm and comptroller's office we were informed this was not allowable. We will put profits from the vending machines in the general fund accounts for student use only.

Arlington Middle School

Vending Machines are located in the Teacher's lounge and are funded ONLY by the teachers. Students do not have access to the Teacher Lounge. Nutrition sells water in the cafeteria for student purchase. AMS does have one water vending machine in the cafeteria. Vending machine deposits will no longer be deposited into the teacher/faculty moral account.

Special Event Pictures have always been allowed to go into Teacher/Faculty Moral as long as it was noted "Proceeds will go to benefit Teacher/Faculty Moral Account". We will no longer deposit those commissions in Teacher/Faculty Moral Account.

Basketball concession is a fundraiser that the teachers run during our basketball season. The teacher's purchase, pick-up, and sells the concession items at each home basketball game. We have signs on our concession tables that state "Proceeds from this Concession stand go to enhance our Teacher/Moral Account". These are funds raised by the teachers not the students. Our faculty, Staff, parents, students, siblings purchase from this concession stand. We will put profits from our basketball concession stands in General Funds account 309.000-Student Incentives/Award/Student Body

ARLINGTON COMMUNITY SCHOOL SYSTEM
ACTIVITY FUNDS
SCHEDULE OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
For the Year Ended June 30, 2015

Donelson Elementary School

I am aware of the audit finding about depositing picture and vending machine money in the teacher/staff morale account. We will no longer deposit those types of monies in the teacher/staff morale account.

ARLINGTON COMMUNITY SCHOOL SYSTEM
ACTIVITY FUNDS
SCHEDULE OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
For the Year Ended June 30, 2015

Prior Year Findings

None noted.

The year ended June 30, 2015 was the first year of operations for this school system.