

ARLINGTON CENTRAL SCHOOL DISTRICT

EXECUTIVE SUMMARY OF AUDIT

June 30, 2023

**ARLINGTON CENTRAL SCHOOL DISTRICT
EXECUTIVE SUMMARY OF AUDIT
FOR THE YEAR ENDED JUNE 30, 2023**

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, 2023.</p> <p>No matters were noted with regard to Management's Discussion and Analysis budget comparison, and other reports required by NYSED. Unmodified Report issued for the Schedule of Expenditures of Federal Awards in relation to basic financial statements taken as a whole.</p>										
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.56)	<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. 57-58)	<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 several 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 \$11,711,506. 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>COVID-19 Education Stabilization Fund</td><td>\$ 6,259,772</td></tr> <tr> <td>Title I Grants to Educational Agencies</td><td>927,739</td></tr> <tr> <td>Special Education Cluster (IDEA)</td><td><u>2,425,521</u></td></tr> <tr> <td>Total</td><td><u>\$ 9,613,032</u></td></tr> <tr> <td>Percentage of Total</td><td><u>82%</u></td></tr> </table>	COVID-19 Education Stabilization Fund	\$ 6,259,772	Title I Grants to Educational Agencies	927,739	Special Education Cluster (IDEA)	<u>2,425,521</u>	Total	<u>\$ 9,613,032</u>	Percentage of Total	<u>82%</u>
COVID-19 Education Stabilization Fund	\$ 6,259,772										
Title I Grants to Educational Agencies	927,739										
Special Education Cluster (IDEA)	<u>2,425,521</u>										
Total	<u>\$ 9,613,032</u>										
Percentage of Total	<u>82%</u>										

Report Title	Description of Report and Findings
Required Communication with Those Charged with Governance (Separate Letter)	<p>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 style="list-style-type: none"> • Significant Accounting Policies Accounting Estimates – No new policies. • 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>The letter identifies comments regarding the following:</p> <p>Material Weaknesses:</p> <ul style="list-style-type: none"> • None noted. <p>Significant Deficiencies:</p> <ul style="list-style-type: none"> • None noted. <p>Disposition of Prior Year Comments:</p> <p>Material Weaknesses:</p> <ul style="list-style-type: none"> • None noted. <p>Significant Deficiencies:</p> <ul 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, 2023.

Summary Government Wide - Statement of Net Position

	2023	2022	Increase/ (Decrease)	Percentage Change
Current and Other Assets	\$ 64,213,708	\$ 57,576,638	\$ 6,637,070	11.5%
Net Pension Asset - Proportionate Share	0	87,829,063	(87,829,063)	(100.0%)
Capital and Lease Assets, Net	<u>160,190,657</u>	<u>164,424,117</u>	<u>(4,233,460)</u>	(2.6%)
Total Assets	<u>224,404,365</u>	<u>309,829,818</u>	<u>(85,425,453)</u>	(27.6%)
Deferred Outflows of Resources	<u>147,680,732</u>	<u>194,990,387</u>	<u>(47,309,655)</u>	(24.3%)
Current and Other Liabilities	16,229,606	16,741,115	(511,509)	(3.1%)
Net Pension Liability - Proportionate Share	22,172,380	0	22,172,380	100.0%
Other Noncurrent Liabilities	<u>713,014,501</u>	<u>783,115,959</u>	<u>(70,101,458)</u>	(9.0%)
Total Liabilities	<u>751,416,487</u>	<u>799,857,074</u>	<u>(48,440,587)</u>	(6.1%)
Deferred Inflows of Resources	<u>338,540,672</u>	<u>428,186,315</u>	<u>(89,645,643)</u>	(20.9%)
Net Position				
Net Investment in Capital Assets	105,459,932	98,066,014	7,393,918	7.5%
Restricted	28,915,846	21,003,313	7,912,533	37.7%
Unrestricted (Deficit)	<u>(852,247,840)</u>	<u>(842,292,511)</u>	<u>(9,955,329)</u>	(1.2%)
Total Net Position (Deficit)	<u>\$ (717,872,062)</u>	<u>\$ (723,223,184)</u>	<u>\$ 5,351,122</u>	0.7%

Summary of Noncurrent Liabilities

Description	Beginning			Paid	Ending	
	Balance	Refinanced	Issued		Balance	Due Within One Year
Bonds Payable						
Serial Bonds	\$ 48,185,000	\$ 20,175,000	\$ 18,185,000	\$ 9,485,000	\$ 36,710,000	\$ 5,775,000
Unamortized Bond Premiums	3,220,266		2,439,100	889,164	4,770,202	889,164
Energy Performance Contract	13,364,246			1,326,011	12,038,235	1,363,087
Other Liabilities						
Lease Liability	1,240,532		651,771	798,545	1,093,758	546,495
Other Postemployment Benefits	692,082,289		42,989,752	104,200,759	630,871,282	
Net Pension Liability - Proportionate Share			22,172,380		22,172,380	
Compensated Absences	<u>25,023,626</u>		<u>2,507,398</u>		<u>27,531,024</u>	
Total Noncurrent Liabilities	<u>\$ 783,115,959</u>	<u>\$ 20,175,000</u>	<u>\$ 88,945,401</u>	<u>\$ 116,699,479</u>	<u>\$ 735,186,881</u>	<u>\$ 8,573,746</u>

ARLINGTON CENTRAL SCHOOL DISTRICT
FUND BALANCES - ALL FUNDS
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>	<u>Increase/ (Decrease)</u>
General Fund			
Nonspendable	\$ 24,725	\$ 16,296	\$ 8,429
Restricted			
Retirement Contribution - ERS	4,612,229	4,558,966	53,263
Retirement Contribution - TRS	3,084,089	2,060,022	1,024,067
Liability	54,637	54,006	631
Tax Certiorari	254,236	318,505	(64,269)
Employee Benefit Accrued Liability	930,781	920,032	10,749
Capital	8,260,037	4,744,438	3,515,599
Total Restricted	<u>17,196,009</u>	<u>12,655,969</u>	<u>4,540,040</u>
Assigned			
Appropriated for Subsequent Year's Budget	7,193,000	7,193,000	
Encumbrances	<u>1,443,722</u>	<u>2,029,688</u>	<u>(585,966)</u>
Total Assigned	<u>8,636,722</u>	<u>9,222,688</u>	<u>(585,966)</u>
Unassigned			
Reserve for Tax Reduction	1,701,983	1,889,902	(187,919)
Unassigned	<u>9,651,305</u>	<u>9,126,791</u>	<u>524,514</u>
Total Unassigned	<u>11,353,288</u>	<u>11,016,693</u>	<u>336,595</u>
Total General Fund	<u>37,210,744</u>	<u>32,911,646</u>	<u>4,299,098</u>
 School Lunch Fund			
Nonspendable	154,214	110,008	44,206
Assigned	<u>1,691,259</u>	<u>1,571,231</u>	<u>120,028</u>
Total School Lunch Fund	<u>1,845,473</u>	<u>1,681,239</u>	<u>164,234</u>
 Miscellaneous Special Revenue			
Restricted for Scholarships	<u>431,523</u>	<u>423,722</u>	<u>7,801</u>
 Debt Service Fund			
Restricted	<u>4,396,855</u>	<u>4,319,332</u>	<u>77,523</u>
 Capital Projects Fund			
Restricted	6,891,459	3,604,290	3,287,169
Unassigned (Deficit)	<u>(2,661,330)</u>	<u>(2,885,136)</u>	<u>223,806</u>
Total Capital Projects Fund	<u>4,230,129</u>	<u>719,154</u>	<u>3,510,975</u>
 Total Fund Balances	<u>\$ 48,114,724</u>	<u>\$ 40,055,093</u>	<u>\$ 8,059,631</u>

ARLINGTON CENTRAL SCHOOL DISTRICT
BALANCE SHEET - GENERAL FUND
June 30, 2023 to 2019

<u>Assets</u>	2023	2022	2021	2020	2019
Cash	\$ 41,999,893	\$ 37,861,761	\$ 34,238,028	\$ 31,594,216	\$ 29,690,913
Accounts Receivable	1,020,907	656,620	1,098,931	832,792	949,515
Due From Other Funds	2,706,548	2,451,720	1,477,416	1,918,575	1,586,992
Due From State and Federal	3,404,744	2,468,565	2,344,297	2,413,478	2,327,420
Due From Other Governments	1,851,045	2,448,743	3,997,404	2,469,190	1,799,116
Prepaid Expenditures	24,725	16,296	19,653	34,423	52,195
<u>Total Assets</u>	<u>\$ 51,007,862</u>	<u>\$ 45,903,705</u>	<u>\$ 43,175,729</u>	<u>\$ 39,262,674</u>	<u>\$ 36,406,151</u>

Liabilities and Fund Balances

Liabilities					
Accounts Payable	\$ 637,665	\$ 1,031,676	\$ 412,274	\$ 358,900	\$ 0
Accrued Liabilities	1,040,553	650,411	341,377	682,744	697,939
Due To Other Governments	1,406,822	1,406,822	1,406,822	0	0
Due To Teachers' Retirement System	9,765,135	9,048,265	8,272,549	7,475,582	8,604,443
Due To Employees' Retirement System	872,793	799,780	1,039,657	794,357	805,840
Unearned Revenues	74,150	55,105	27,772	3,198	112,524
<u>Total Liabilities</u>	<u>13,797,118</u>	<u>12,992,059</u>	<u>11,500,451</u>	<u>9,314,781</u>	<u>10,220,746</u>

Deferred Inflows - Unavailable State Aid				976,534	
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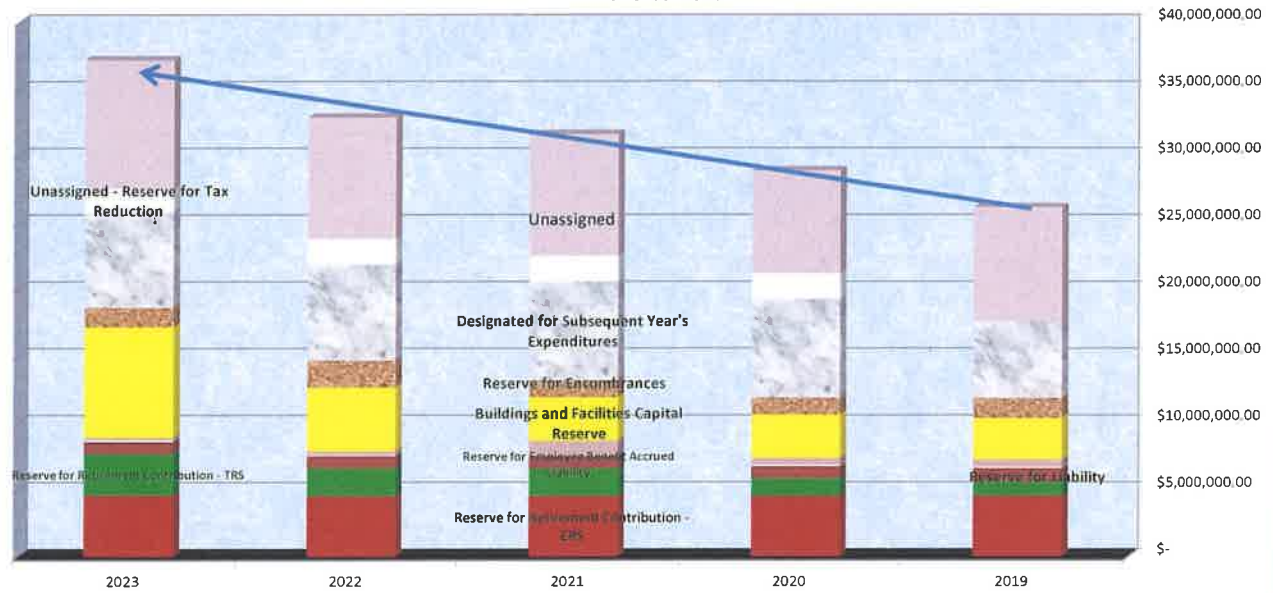
Fund Balances					
Nonspendable	24,725	32,592	39,306	68,846	52,195
Restricted					
Reserve for Retirement Contribution - ERS	4,612,229	4,558,966	4,558,513	4,556,790	4,570,343
Reserve for Retirement Contribution - TRS	3,084,089	2,060,022	2,059,817	1,280,786	1,000,000
Reserve for Employee Benefit Accrued Liability	930,781	920,032	919,940	919,593	914,302
Reserve for Unemployment Insurance	0	0	0	0	132,086
Reserve for Liability	54,637	54,006	54,001	53,980	53,670
Reserve for Tax Certiorari	254,236	318,505	1,097,556	575,884	602,597
Buildings and Facilities Capital Reserve	8,260,037	4,744,438	3,244,064	3,243,712	3,105,062
Assigned					
Reserve for Encumbrances	1,443,722	2,029,688	1,277,182	1,250,762	1,480,717
Designated for Subsequent Year's Expenditures	7,193,000	7,193,000	7,403,000	7,403,000	5,743,000
Unassigned - Reserve for Tax Reduction	1,701,983	1,889,902	1,889,714	1,889,000	0
Unassigned	9,651,305	9,110,495	9,132,185	7,729,006	8,531,433
<u>Total Fund Balances</u>	<u>37,210,744</u>	<u>32,911,646</u>	<u>31,675,278</u>	<u>28,971,359</u>	<u>26,185,405</u>
<u>Total Liabilities, Deferred Inflows, and Fund Balances</u>	<u>\$ 51,007,862</u>	<u>\$ 45,903,705</u>	<u>\$ 43,175,729</u>	<u>\$ 39,262,674</u>	<u>\$ 36,406,151</u>

Current Assets to Liabilities	3.70	3.53	3.75	4.22	3.56
Total Fund Balances Percentage of Total Exp.	16%	15%	15%	14%	13%
Unassigned Fund Balance to Total Exp.	4%	4%	4%	4%	4%

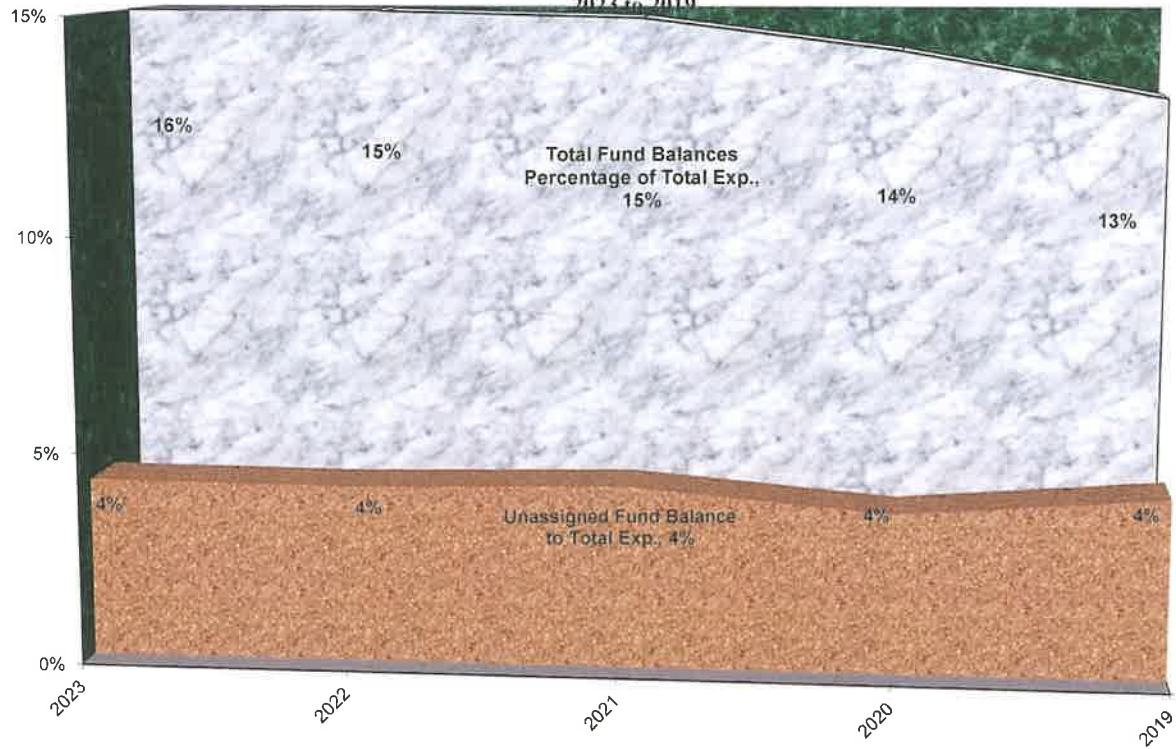
ARLINGTON CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Five Years Ended June 30, 2023 to 2019

	2023	2022	2021	2020	2019
REVENUES					
Real Property Taxes	\$ 140,870,536	\$ 137,129,363	\$ 134,975,121	\$ 130,893,106	\$ 126,256,693
Other Real Property Tax Items	10,129,926	10,606,521	11,174,972	11,696,212	13,250,750
Charges for Services	1,796,891	1,733,256	1,999,800	1,971,968	1,974,614
Use of Money and Property	2,486,468	89,305	126,562	817,372	1,466,828
Sale of Property and Compensation for Loss	154,625	108,532	41,217	2,059,996	69,962
Miscellaneous	4,757,959	3,900,206	4,350,322	604,089	1,028,122
State Sources	78,193,828	69,520,451	64,319,780	62,826,176	62,286,165
Federal Sources	478,470	350,220	911,165	246,957	189,855
Total Revenues	<u>238,868,703</u>	<u>223,437,854</u>	<u>217,898,939</u>	<u>211,115,876</u>	<u>206,522,989</u>
Expenditures					
General Support	19,145,733	20,221,456	21,139,011	17,291,991	14,774,363
Instruction	118,784,819	112,635,697	109,265,297	106,676,771	106,108,227
Pupil Transportation	13,769,818	11,236,443	9,301,976	10,392,377	10,532,869
Employee Benefits	62,161,918	59,993,861	59,933,074	57,896,880	56,709,281
Debt Service	15,963,761	15,817,771	14,189,668	13,918,073	13,937,004
Total Expenditures	<u>229,826,049</u>	<u>219,905,228</u>	<u>213,829,026</u>	<u>206,176,092</u>	<u>202,061,744</u>
Excess Revenues Over Expenditures	<u>9,042,654</u>	<u>3,532,626</u>	<u>4,069,913</u>	<u>4,939,784</u>	<u>4,461,245</u>
Other Financing Sources (Uses)					
Interfund Transfers From	3,990	1,472,217	1,852,175	1,288,580	82,941
Interfund Transfers To	(4,747,546)	(3,768,475)	(3,218,169)	(3,442,410)	(1,828,173)
Total Other Financing Sources (Uses)	<u>(4,743,556)</u>	<u>(2,296,258)</u>	<u>(1,365,994)</u>	<u>(2,153,830)</u>	<u>(1,745,232)</u>
Excess Revenues Over Expenditures and Other Financing Sources (Uses)	<u>\$ 4,299,098</u>	<u>\$ 1,236,368</u>	<u>\$ 2,703,919</u>	<u>\$ 2,785,954</u>	<u>\$ 2,716,013</u>

ARLINGTON CENTRAL SCHOOL DISTRICT FUND BALANCE HISTORY 2023 to 2019



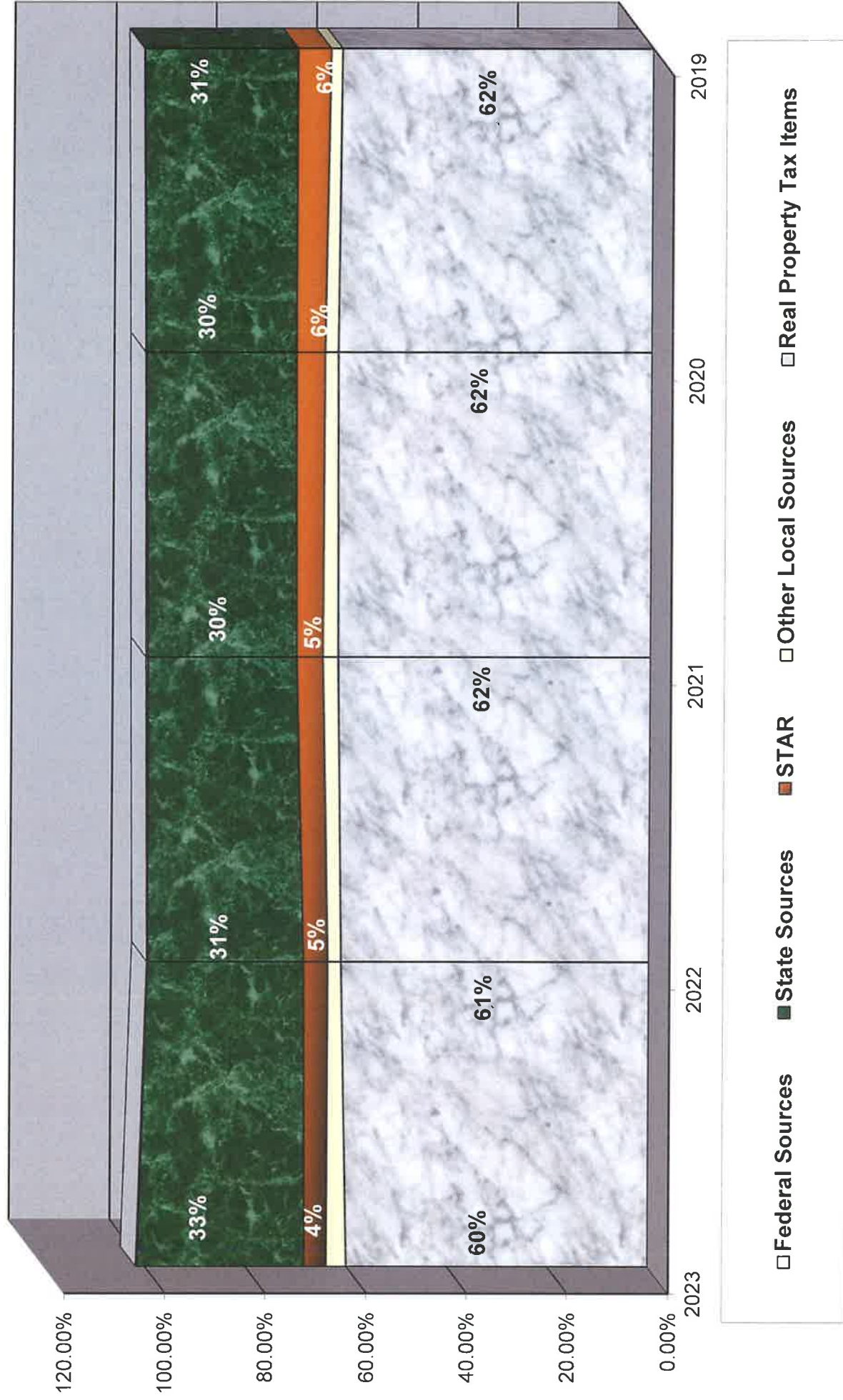
ARLINGTON CENTRAL SCHOOL DISTRICT UNASSIGNED FUND BALANCE PERCENTAGE OF BUDGET 2023 to 2019



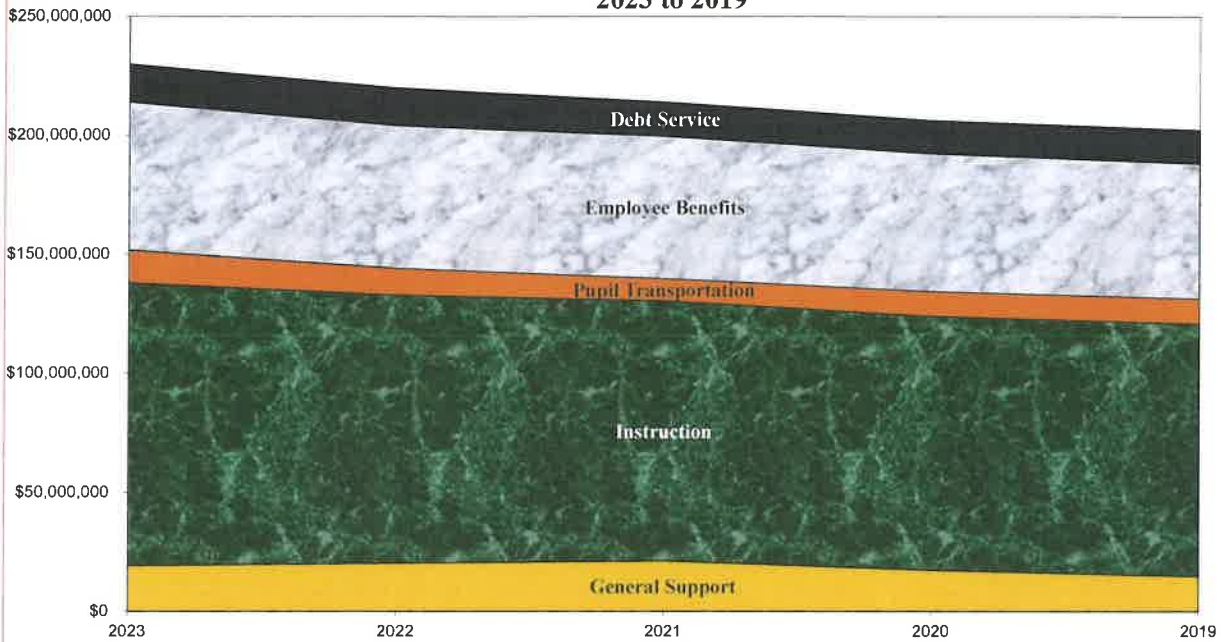
ARLINGTON CENTRAL SCHOOL DISTRICT

STATE VS. LOCAL EFFORT

2023 to 2019



**ARLINGTON CENTRAL SCHOOL DISTRICT
GENERAL FUND EXPENDITURES
2023 to 2019**



**ARLINGTON CENTRAL SCHOOL DISTRICT
EXPENDITURE PERCENTAGE OF TOTAL
2023 to 2019**

