

ARLINGTON CENTRAL
SCHOOL DISTRICT



EXTRACLASSROOM
ACTIVITY FUND

FINANCIAL STATEMENTS

For the Year Ended
June 30, 2023

**ARLINGTON CENTRAL SCHOOL DISTRICT
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D'Arcangelo & Co., LLP

Certified Public Accountants & Consultants

200 E. Garden St., P.O. Box 4300, Rome, N.Y. 13442-4300
315-336-9220 Fax: 315-336-0836

Independent Auditor's Report

To the Board of Education of
Arlington Central School District

Qualified Opinion

We have audited the accompanying financial statements of the Extraclassroom Activity Fund of Arlington Central School District, which comprise the statement of assets, and fund equity - cash basis as of June 30, 2023, 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.

In our opinion, except for the possible effects of the matter discussed in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the assets, and fund equity of the Extraclassroom Activity Fund of Arlington Central School District as of June 30, 2023, and its revenues, expenditures, and changes in fund equity for the year then ended are in accordance with the cash basis of accounting as described in Note 1.

Basis for Qualified Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Extraclassroom Activity Fund of Arlington Central School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion. Insufficient accounting controls are exercised over cash receipts at the point of collection to the time of submission to the central treasurer. Accordingly, it was impracticable to extend our audit of such receipts beyond the amounts recorded.

Emphasis of Matter – 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.

Responsibilities of Management 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 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Extraclassroom Activity Fund of Arlington Central School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Extraclassroom Activity Fund of Arlington Central School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Extraclassroom Activity Fund of Arlington Central School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule on page 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 opinion paragraphs, the information is fairly stated in all material respects in relation to the financial statements as a whole.

D'Arcangelo + Co., LLP

October 13, 2023

Rome, New York

**ARLINGTON CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUND
STATEMENT OF ASSETS AND FUND EQUITY - CASH BASIS
June 30, 2023**

Assets

Cash	\$ 357,886
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<u>Total Assets</u>	<u>\$ 357,886</u>
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Fund Equity

Assigned	\$ 357,886
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<u>Total Fund Equity</u>	<u>\$ 357,886</u>
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The Accompanying Notes are an Integral Part of These Financial Statements.

**ARLINGTON CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND EQUITY - CASH BASIS
For the Year Ended June 30, 2023**

Revenues	
Charges for Services, Sale of Property, and Miscellaneous	\$ <u>691,922</u>
Total Revenues	<u>691,922</u>
Expenditures	
Instruction - Club Activities	<u>617,021</u>
Total Expenditures	<u>617,021</u>
Excess Revenues over Expenditures	74,901
Fund Equity, Beginning of Year	<u>282,985</u>
Fund Equity, End of Year	\$ <u><u>357,886</u></u>

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

**ARLINGTON CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUND
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2023**

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 year-end cash balances and related activity are shown as part of the Arlington Central School District's Custodial Fund.

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 there from.

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 the 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, 2023, the School District's Extraclassroom total bank balances of \$377,461 were covered by FDIC insurance of \$250,000 and \$127,461 was uninsured and uncollateralized.

ARLINGTON CENTRAL SCHOOL DISTRICT
EXTRACURRICULAR ACTIVITY FUND
SUPPLEMENTAL SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - CASH BASIS
For the Year Ended June 30, 2023

Activities	Balance at 07/01/22	Cash Receipts	Cash Disbursements	Balance at 06/30/23
<u>Junior-Senior High School</u>				
AAPL	\$ 100	\$ 542	\$ 0	\$ 642
Admiral Players	41,285	98,388	84,178	55,495
Anchors Magazine	348	6,042	5,736	654
Anchors Yearbook	9,245	11,814	2,934	18,125
Arlington Allies	0	80	70	10
Arlingtonian	1,758	0	329	1,429
Art Club	103	1,771	408	1,466
Best Buddies	133	994	561	566
Class of 2022	3,735	0	3,735	0
Class of 2023	5,888	107,324	113,105	107
Class of 2024	448	46,658	42,469	4,637
Class of 2025	39	550	0	589
Class of 2026	0	0	0	0
Debate	531	0	465	66
Engineering Club	974	161	684	451
Environmental Awareness	1,009	0	10	999
Everness (Creative Writing)	733	0	10	723
FBLA	55	160	180	35
FCCLA Culinary	1,387	21,224	22,804	(193)
French	753	501	666	588
French Honor Society	950	391	323	1,018
Friends of Rachel	2,065	460	683	1,842
Gaming Club	0	27	0	27
Homegrown Club	74	102	30	146
HOSA	481	0	0	481
Interact	1,332	2,106	976	2,462
Italian	1,202	12,700	12,779	1,123
Italian Honor Society	513	367	200	680
Jazz Band	3,232	14,266	12,250	5,248
Link Crew	(242)	15	0	(227)
Marching Band	1,132	73	609	596
Marine Biology	9,524	29,099	25,255	13,368
Math Honor Society	416	0	0	416
Mixed Ensemble	302	0	10	292
Model U.N.	1,607	0	190	1,417
Mountain Bike	100	0	100	0
National Honor Society	668	3,840	2,261	2,247
Nursery	1,753	575	580	1,748
Operation Donate	196	0	196	0
Photo Club	1,079	0	10	1,069
Ping Pong Club	129	0	0	129
Refugee Aid Club	6	0	6	0
SADD - Student Aid	5,817	6,036	1,365	10,488
SADD	472	5,084	3,650	1,906
Safety Patrol	10	582	65	527
Sales Tax	1,862	4,419	3,744	2,537
Science Olympiad	0	127	0	127
Science Research Club	3,776	1,663	2,739	2,700
SHEquality	0	25	22	3
SNTAC	313	245	245	313
Spanish	63	161	184	40
Spanish Honor Society	644	1,256	1,029	871
Step Team	345	0	10	335
String Ensemble	1,528	0	10	1,518
Student Athletic Organization	75,158	232,216	201,519	105,855
Student Athletic Council	2,244	17,901	9,768	10,377
Student Government	2,741	5,535	6,840	1,436
Teaching Science Club	2	0	0	2
UNICEF	354	205	59	500
Unified Bowling	75	72	127	20
Video Game Club	27	0	27	0
Water Club	500	188	0	688
Total Junior-Senior High School	190,974	635,945	566,205	260,714

(Continued)

**ARLINGTON CENTRAL SCHOOL DISTRICT
EXTRACLASSTROOM ACTIVITY FUND
SUPPLEMENTAL SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - CASH BASIS
For the Year Ended June 30, 2023**

(Continued)

Activities	Balance at 07/01/22	Cash Receipts	Cash Disbursements	Balance at 06/30/23
<u>LaGrange Middle School</u>				
Community Service Club	5	143	143	5
Drama	21,108	15,131	8,778	27,461
Home & Careers	645	1,210	1,489	366
Honor Society	252	0	0	252
School Store	260	74	98	236
Student Council	11,283	7,212	11,430	7,065
Yearbook	2,986	1,565	689	3,862
Total LaGrange Middle School	36,539	25,335	22,627	39,247
<u>Union Vale Middle School</u>				
APK	1,005	59	2	1,062
Band	557	451	451	557
Chorus	149	43	43	149
Drama Club	5,157	3,864	2,949	6,072
Library	2,680	89	121	2,648
Orchestra	456	1,093	1,111	438
School Musical	6,812	3,824	4,810	5,826
School Store	2,394	290	0	2,684
Student Council	24,001	13,015	9,677	27,339
Yearbook	12,261	7,914	9,025	11,150
Total Union Vale Middle School	55,472	30,642	28,189	57,925
Total	\$ 282,985	\$ 691,922	\$ 617,021	\$ 357,886