

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

Communication with Those Charged with Governance at the Conclusion of the Audit

To the Board of Education
Arlington Central School District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Arlington Central School District for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 14, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Arlington Central School District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2024. We noted no transactions entered into by Arlington Central School District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

1. The District, in accordance with GASB No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, requires significant actuarial estimates to calculate the District's postemployment benefits liability and related deferred inflows and outflows.
2. The District's estimate of its compensated absences liability.
3. Estimates involving depreciable lives of the District's capital assets and the related depreciation.

4. The District, in accordance with GASB No. 68, *Accounting and Financial Reporting for Pensions* (as amended by GASB Statement 71), requires significant actuarial estimates to calculate the net pension assets and liabilities, deferred inflows and outflows of resources – pensions, and pension expense.

We evaluated the key factors and assumptions used by management in determining that accounting estimates are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 8, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Arlington Central School District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Arlington Central School District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management's discussion and analysis and other required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on supplementary information which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Education, management of Arlington Central School District, and the New York State Education Department and is not intended to be, and should not be, used by anyone other than these specified parties.

D'Arcangelo + Co., LLP

October 8, 2024

Rome, New York

Client: 04391 - Arlington Central School District
 Engagement: 2024 FS - Arlington CSD
 Period Ending: 6/30/2024
 Trial Balance: TB
 Worksheet: 3400.10 - Adjusting Journal Entries Report

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE #1				
Conversion entry for bond principal payments for the current year				
GW 0628	Bonds Payable		5,775,000.00	
GW 9711 600	Serial Bonds Principal School Construction			5,775,000.00
Total			5,775,000.00	5,775,000.00
Adjusting Journal Entries JE #2				
Conversion entry for accrued interest on serial bonds and EPC				
GW 0651	Accrued Interest Payable		27,778.00	
GW 9711 700	Serial Bonds Interest School Construction			27,778.00
Total			27,778.00	27,778.00
Adjusting Journal Entries JE #3				
Conversion entry for the CY net change in the GASB 75 OPEB liability				
GW 0691 1	Deferred Inflow of Resources - OPEB		64,385,311.00	
GW 0496 2	Deferred Outflows of Resources - OPEB			48,199,652.00
GW 0603	Other Postemployment Benefits (OPEB)			14,299,631.00
GW 9060 800	Other OPEB Expense			1,600,718.00
Total			64,385,311.00	64,385,311.00
Adjusting Journal Entries JE #4				
Conversion entry for current year payments on energy performance contract				
GW 0685	Lease Payable - EPC		1,363,087.00	
GW 9785 610	Energy Performance Contract Principal			1,363,087.00
Total			1,363,087.00	1,363,087.00
Adjusting Journal Entries JE #5				
Conversion entry for additions to Construction in Progress, excluding reticulation				
GW 0105	Construction Work in Progress		6,130,543.00	
GW 1999 100	General Support - Other			6,123,200.00
GW 2909 100	Instruction - Other			1,007,343.00
Total			6,130,543.00	6,130,543.00
Adjusting Journal Entries JE #6				
Conversion entry for current year additions to fixed assets				
GW 0102	Buildings and Improvements		152,841.00	
GW 0104	Equipment and Vehicles		1,336,265.00	
GW 1999 200	General Support - Equipment			270,034.00
GW 2959 200	Teach Reg School Equipment			372,311.00
GW 5989 200	Transportation - Equipment			2,599,684.00
GW 6909 200	School Lunch - Equipment			324,051.00
Total			1,458,910.00	1,458,910.00
Adjusting Journal Entries JE #7				
Conversion entry for current year disposals of fixed assets				
GW 0114	Equipment and Vehicles Accum Dep		1,536,858.00	
GW 1999	LOSS ON DISPOSAL OF EQUIPMENT			147,843.00
GW 0104	Equipment and Vehicles			1,684,701.00
Total			1,536,858.00	1,832,544.00

Adjusting Journal Entries JE #8		1225.55	
Conversion entry to allocate employee benefits to functions			
GW 1999 900	General Support Employee Benefit Allocation	5,586,741.00	
GW 2999 900	Instruction Employee Benefit Allocation	53,723,782.00	
GW 5999 900	Transportation Employee Benefit Allocation	6,332,892.00	
GW 6999 900	School Lunch Employee Benefit Allocation	672,546.00	
GW 9099 900	Employee Benefits Allocation		66,117,361.00
Total		66,117,361.00	66,117,361.00

Adjusting Journal Entries JE #9		4600.01	
Conversion entry for current year depreciation of fixed assets			
GW 1999 300	General Support Depreciation	6,112,261.00	
GW 2999 300	Instruction Depreciation	6,112,132.00	
GW 5999 300	Transportation Depreciation	748,512.00	
GW 6999 300	School Lunch Depreciation	159,928.00	
GW 0112	Buildings Acc Depr		5,945,119.00
GW 0114	Equipment and Vehicles Acc Depr		2,187,714.00
Total		8,132,833.00	8,132,833.00

Adjusting Journal Entries JE #10		5300.30	
Conversion entry for current year amortization of deferred charge and bond premiums			
GW 0609	Unamortized Bond Premium	989,164.00	
GW 0409	Deferred Outflow of Resources - Loss on Refunding		350,804.00
GW 9711 700	Serial Bonds Interest School Construction		535,360.00
Total		989,164.00	889,164.00

Adjusting Journal Entries JE #11		5700.50	
Conversion entry for TRS pension expense for GASB 68			
GW 0638	Net TRS Pension Liability - Proportionate Share	3,606,240.00	
GW 0697	Deferred Inflow of Resources - TRS	1,516,359.00	
GW 9020 800	Pension Expense - TRS	6,535,265.00	
GW 0496	Deferred Outflows of Resources - TRS		11,917,864.00
GW 0109	Net TRS Pension Asset - Proportionate Share		
Total		11,917,864.00	11,917,864.00

Adjusting Journal Entries JE #12		5700.00	
Conversion entry for ERS pension expense for GASB 68			
GW 0638 1	Net ERS Pension Liability - Proportionate Share	3,302,817.00	
GW 9010 800	Pension Expense - ERS	1,033,677.00	
GW 0496 1	Deferred Outflows of Resources - ERS		319,311.00
GW 0697	Deferred Inflow of Resources - ERS		1,217,183.00
GW 0108 1	Net ERS Pension Asset - Proportionate Share		
Total		4,336,494.00	4,536,494.00

Adjusting Journal Entries JE #13		5600.20	
Conversion entry to adjust Compensated Absences per reports			
GW 2687	Compensated Absences	6,484,152.00	
GW 9089 880	Compensated Absence Expense		5,184,152.00
Total		6,484,152.00	6,484,152.00

Adjusting Journal Entries JE #14			
Conversion entry to reverse SAN redeemed from appropriations			
GW 9731	SAN Redeemed From Appropriations	2,177,000.00	
GW 9702 810	SAN Principal Pay		2,177,000.00
Total		2,177,000.00	2,177,000.00

Adjusting Journal Entries JE #15		5350 10		
GASB 87 Lease Accounting Entries				
A 9799 510-00-0030	LEASE PRINCIPAL	919,136.00		
A 9799 710-00-0030	LEASE INTEREST	75,895.00		
P 2110 200	FURNITURE EQUIPMENT TEXTBOOKS	1,761,638.00		
A 2630.490-00-0000	COMP INST SERVICES FROM SCES		995,632.00	
H 5788	LEASES		1,761,638.00	
Total		2,756,670.00	2,756,670.00	
Adjusting Journal Entries JE #16		5350.10		
Conversion entry for GASB 87 lease accounting of current year additions				
GW 0124	Intangible Lease Asset: Machinery and Equipment	1,761,638.00		
GW 5788	Proceeds of Leases	1,761,638.00		
GW 0652	Lease Liability		1,761,638.00	
GW 2999 200	Teach Reg School Equipment		1,761,638.00	
Total		3,523,276.00	3,523,276.00	
Adjusting Journal Entries JE #17		5350.10		
Conversion entry for GASB 87 current year lease amortization				
GW 0652	Lease Liability	919,136.00		
GW 2999 350	Instruction - Amortization	1,112,977.00		
GW 0134	Accumulated Amortization - Intangible Lease Asset: Machinery and Equipment		1,112,977.00	
GW 9788.610	Leases - Principal		919,136.00	
Total		2,031,213.00	2,031,213.00	
Adjusting Journal Entries JE #18		5300 20		
To accrue interest for 2024 Capital Project BAN				
A 9731 710-00-0000	BAN SCHL CONST DEBT SERV INTEREST	6,553.00		
A601	ACCRUED LIABILITIES		6,553.00	
Total		6,553.00	6,553.00	
Adjusting Journal Entries JE #20				
To adjust Extraclassroom Cash to bank rec balances				
TC 1935 400	OTHER CUSTODIAL ACTIVITIES	640,833.00		
TC200	Cash in Extraclassroom	60,385.00		
TC 2705	GIFTS AND DONATIONS		701,018.00	
TC923	EXTRACLASS ACTIVITIES		701,018.00	
Total		701,018.00	701,018.00	
Adjusting Journal Entries JE #21		7200 20		
To post retainage per analysis				
GW 0105	Construction Work in Progress	206,867.00		
GW 0605	Retainage Payable		206,867.00	
Total		206,867.00	206,867.00	
Total Adjusting Journal Entries		192,267,953.00	192,267,953.00	
Total All Journal Entries		192,267,953.00	192,267,953.00	