DEPOSIT CENTRAL SCHOOL DISTRICT

EXECUTIVE SUMMARY

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EXECUTIVE SUMMARY OF 2026 AUDIT REPORT AND FINDINGS

- Auditors' Report on Financial Statements and Supplementary Information
  - **Unmodified Opinion**
- Auditors' Report on Internal Control Over Financial Reporting and on Compliance in Accordance with *Government Auditing Standards*
  - **Unmodified Opinion**
- Auditors' Report on Compliance and Internal Control for Each Major Program Required by Uniform Guidance
  - **In process pending Office of Management and Budget's delayed release of the 2026 compliance supplement.**
  - **Total expected federal expenditures of $1,119,608 for the year ended June 30, 2026.**

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EXECUTIVE SUMMARY OF 2026 AUDIT REPORT AND FINDINGS

- Management Comment Letter
  - **No concerns or issues noted**
- Independent Auditors' Report on Extraclassroom Activity Funds
  - **Unmodified Opinion**
- Extraclassroom Activity Funds Management Comment Letter
  - **Two issues noted**

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REQUIRED COMMUNICATIONS

- Communication with Those Charged with Governance at the Conclusion of the Audit. **No comments of concern** to be reported regarding the following:
  - Qualitative Aspects of Accounting Practices
  - Difficulties Encountered in Performing the Audit
  - Corrected and Uncorrected Misstatements
  - Disagreements with Management
  - Management Representations
  - Management Consultations with Other Independent Accountants
  - Other Audit Findings or Issues
  - Other Matters

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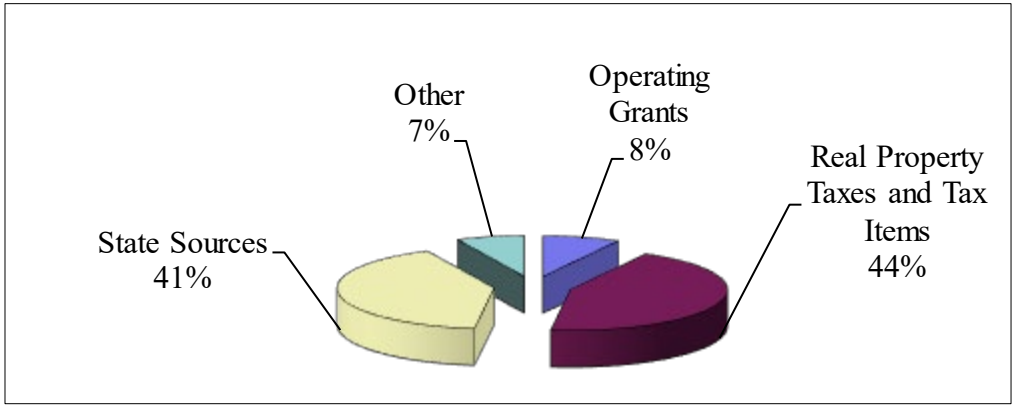
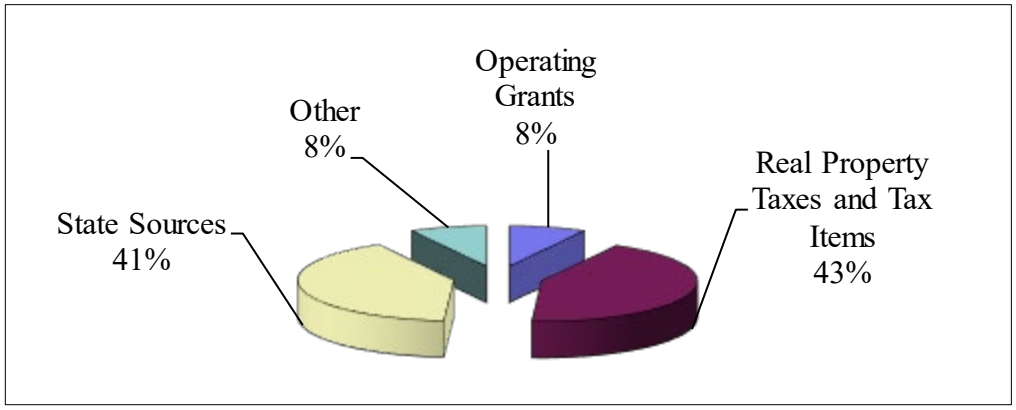
GOVERNMENTAL ACTIVITIES: REVENUE

2026



2025



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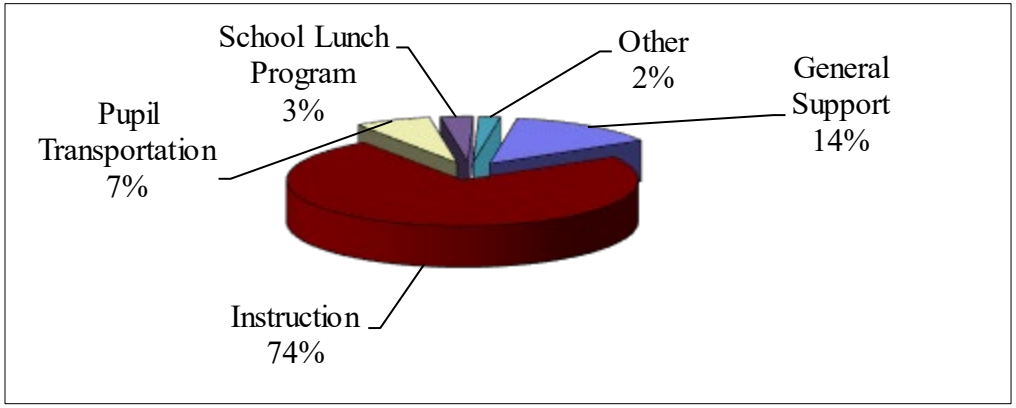
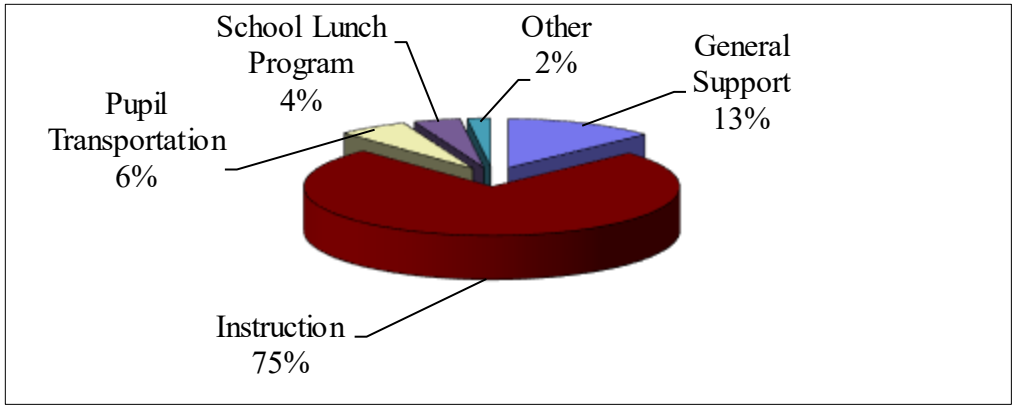
GOVERNMENTAL ACTIVITIES: EXPENSES

2026



2025



ASSETS: GENERAL FUND

	JUNE 30,				
	2026	**2025**	**2024**	**2023**	**2022**
ASSETS					
Cash and Investments	**$ 4,444,406**	$ 4,035,201	$ 6,213,775	$ 5,927,741	$ 5,063,841
Receivables	**604,755**	761,549	972,668	495,431	585,446
Other	**-**	-	-	-	1,229
Due From Other Funds	**451,082**	329,544	443,947	434,387	389,576
Total Assets	**$ 5,500,243**	$ 5,126,294	$ 7,630,390	$ 6,857,559	$ 6,040,092

LIABILITIES: GENERAL FUND

	JUNE 30,				
	2026	**2025**	**2024**	**2023**	**2022**
LIABILITIES					
Accounts Payable and Accruals	**$ 660,247**	$ 478,355	$ 424,480	$ 287,449	$ 257,172
Due to Retirement Systems	**639,234**	700,140	648,799	643,459	548,467
Due to Other Funds	**-**	2,626	181	338	25,313
Other	**-**	-	-	-	24,277
Total Liabilities	**$ 1,299,481**	$ 1,181,121	$ 1,073,460	$ 931,246	$ 855,229

FUND BALANCE: GENERAL FUND

	JUNE 30,				
	2026	**2025**	**2024**	**2023**	**2022**
FUND BALANCE					
Nonspendable	**$ -**	$ -	$ -	$ -	$ 1,229
Restricted	**2,575,214**	2,355,125	4,912,321	4,492,301	3,885,436
Assigned	**825,867**	817,167	881,107	703,464	594,882
Unassigned	**799,681**	772,881	763,502	730,548	703,316
Total Fund Balances	**4,200,762**	3,945,173	6,556,930	5,926,313	5,184,863
Total Liabilities and Fund Balances	**$ 5,500,243**	$ 5,126,294	$ 7,630,390	$ 6,857,559	$ 6,040,092

REVENUES: GENERAL FUND

	JUNE 30,				
	2026	**2025**	**2024**	**2023**	**2022**
REVENUES					
Real Property Taxes (Including STAR)	**$ 9,249,031**	$ 9,082,751	$ 8,888,811	$ 8,682,849	$ 8,524,612
State Sources	**8,452,180**	8,375,492	8,388,611	7,749,624	7,587,350
Medicaid Reimbursements	**44,341**	56,880	36,854	43,153	47,491
Other	**1,288,805**	1,045,722	1,597,250	743,117	1,051,389
Interfund Transfers	**1,235**	2,143	36,670	87,617	-
Total Revenues	**$ 19,035,592**	$ 18,562,988	$ 18,948,196	$ 17,306,360	$ 17,210,842

EXPENDITURES: GENERAL FUND

	JUNE 30,				
	2026	**2025**	**2024**	**2023**	**2022**
EXPENDITURES					
General Support	**$ 2,108,222**	$ 1,980,336	$ 1,990,180	$ 1,657,503	$ 1,465,035
Instruction	**8,399,246**	8,540,655	8,268,765	7,814,114	7,305,780
Transportation	**765,252**	674,039	682,846	660,298	676,587
Employee Benefits	**5,742,185**	5,468,694	5,162,399	4,868,614	5,036,306
Debt Service	**1,645,808**	1,703,487	1,876,925	1,444,319	1,253,278
Interfund Transfers	**119,290**	2,807,534	336,464	120,062	20,233
Total Expenditures	**18,780,003**	21,174,745	18,317,579	16,564,910	15,757,219
Excess of Revenues (Expenditures)	**$ 255,589**	$ (2,611,757)	$ 630,617	$ 741,450	$ 1,453,623

OTHER GOVERNMENTAL FUNDS

	JUNE 30,				
	2026	**2025**	**2024**	**2023**	**2022**
Capital Outlay	**$ 1,475,168**	$ 605,834	$ 1,850,490	$ 6,856,185	$ 855,298
Special Aid Revenues and Transfers	**$ 1,047,164**	$ 1,118,333	$ 1,304,996	$ 1,742,244	$ 1,186,320
Special Aid Expenditures and Transfers	**$ 1,047,164**	$ 1,118,333	$ 1,304,996	$ 1,742,244	$ 1,186,320
School Lunch Revenues and Transfers	**$ 565,685**	$ 674,429	$ 579,547	$ 565,302	$ 558,764
School Lunch Expenditures	**$ 569,607**	$ 674,430	$ 729,119	$ 720,681	$ 612,121

GENERAL FUND RESERVE BALANCES

	JUNE 30				
	2026	**2025**	**2024**	**2023**	**2022**
Fund Balance					
Nonspendable					
Prepaid Items	**$ -**	$ -	$ -	$ -	$ 1,229
Total Nonspendable	**-**	-	-	-	1,229
Restricted					
Worker's Compensation Reserve	**151,228**	152,530	164,092	157,214	153,302
Reserve for Employees' Retirement Contributions	**1,523,443**	1,485,607	1,434,068	1,134,437	1,106,209
Reserve for Teachers' Retirement Contributions	**536,170**	522,759	525,860	453,040	350,943
Tax Certiorari Reserve	**257,241**	89,951	86,830	26,663	26,000
Unemployment Insurance Reserve	**52,817**	51,505	49,719	47,635	46,449
Employee Benefit Accrued Liability Reserve	**28,692**	27,786	69,983	67,050	65,382
Capital Reserve	**25,623**	24,987	2,581,769	2,606,262	2,137,151
Total Restricted	**2,575,214**	2,355,125	4,912,321	4,492,301	3,885,436
Assigned					
Appropriated for Next Year's Budget	**750,000**	750,000	750,000	500,000	500,000
Encumbrances	**75,867**	67,167	131,107	203,464	94,882
Total Assigned	**825,867**	817,167	881,107	703,464	594,882
Unassigned	**799,681**	772,881	763,502	730,548	703,316
Total Fund Balance	**$ 4,200,762**	$ 3,945,173	$ 6,556,930	$ 5,926,313	$ 5,184,863

COMPLIANCE WITH §1318

Compliance with §1318 of Real Property Law	JUNE 30, 2026	2025	2024	2023	2022
Next Year's Budget is a Voter Approved Budget	**$ 20,197,873**	$ 19,549,351	$ 19,239,581	$ 18,638,677	$ 17,788,865
Maximum Allowed (4% of Budget)	**807,915**	781,974	769,583	745,547	711,555
General Fund Fund Balance Subject to §1318 of Real Property Law	**799,681**	772,881	763,502	730,548	703,316
Actual Percentage	**3.96%**	3.95%	3.97%	3.92%	3.95%

GENERAL FUND RESERVE ACTIVITY

Current Year Reserve Activity	Beginning Balance	Additions	Interest Earned	Appropriated	Ending Balance
Worker's Compensation Reserve	$ 152,530	$ -	$ 3,962	$ (5,264)	**$ 151,228**
Reserve for Employees' Retirement Contributions	1,485,607	-	37,836	-	**1,523,443**
Reserve for Teachers' Retirement Contributions	522,759	-	13,411	-	**536,170**
Tax Certiorari Reserve	89,951	165,000	2,290	-	**257,241**
Unemployment Insurance Reserve	51,505	-	1,312	-	**52,817**
Employee Benefit Accrued Liability Reserve	27,786	-	906	-	**28,692**
Capital Reserve	24,987	-	636	-	**25,623**
Total	**$ 2,355,125**	**$ 165,000**	**$ 60,353**	**$ (5,264)**	**$ 2,575,214**

GENERAL FUND BUDGET: 2026

	2026				
	Original Budget	Final Budget	Actual w/ Encumbrances	$ Variance Fav. (Unfav.)	% Variance Fav. (Unfav.)
REVENUES					
Real Property Taxes	$ 9,174,910	$ 8,924,746	**$ 8,916,859**	$ (7,887)	(0.09%)
Other Tax Items	80,298	330,462	**332,172**	1,710	0.52%
State Sources	8,471,147	8,473,392	**8,452,180**	(21,212)	(0.25%)
Other, Including Financing Sources	939,545	939,545	**1,334,381**	394,836	42.02%
Total Revenues and Other Financing Sources	18,665,900	18,668,145	**$ 19,035,592**	**$ 367,447**	**1.97%**
Appropriated Fund Balances and Reserves	883,451	898,451			
Encumbrances	67,167	67,167			
Total Revenues	**$ 19,616,518**	**$ 19,633,763**			
EXPENDITURES					
General Support	$ 1,942,419	$ 2,232,019	**$ 2,174,360**	$ 57,659	2.58%
Instruction	8,860,119	8,804,544	**8,401,400**	403,144	4.58%
Pupil Transportation	870,536	873,574	**772,827**	100,747	11.53%
Employee Benefits	6,137,881	5,877,717	**5,742,185**	135,532	2.31%
Debt Service	1,585,463	1,645,809	**1,645,808**	1	0.00%
Other Financing Uses	220,100	200,100	**119,290**	80,810	40.38%
Total Expenditures	**$ 19,616,518**	**$ 19,633,763**	**$ 18,855,870**	**$ 777,893**	**3.96%**

GENERAL FUND BUDGET: 2025

	2025				
	Original Budget	Final Budget	Actual w/ Encumbrances	$ Variance Fav. (Unfav.)	% Variance Fav. (Unfav.)
REVENUES					
Real Property Taxes	$ 9,012,741	$ 8,744,686	**$ 8,736,761**	$ (7,925)	(0.09%)
Other Tax Items	79,095	347,151	**345,990**	(1,161)	(0.33%)
State Sources	8,382,643	8,382,642	**8,375,492**	(7,150)	(0.09%)
Other, Including Financing Sources	868,127	868,127	**1,104,745**	236,618	27.26%
Total Revenues and Other Financing Sources	18,342,606	18,342,606	**$ 18,562,988**	**$ 220,382**	**1.20%**
Appropriated Fund Balances and Reserves	896,975	3,562,041			
Encumbrances	131,107	131,107			
Total Revenues	**$ 19,370,688**	**$ 22,035,754**			
EXPENDITURES					
General Support	$ 2,012,705	$ 2,095,985	$ 2,003,575	$ 92,410	4.41%
Instruction	8,877,636	8,966,299	8,571,325	394,974	4.41%
Pupil Transportation	869,070	796,301	687,297	109,004	13.69%
Employee Benefits	5,868,222	5,655,629	5,468,694	186,935	3.31%
Debt Service	1,622,955	1,707,440	1,703,487	3,953	0.23%
Other Financing Uses	120,100	2,814,100	2,807,534	6,566	0.23%
Total Expenditures	**$ 19,370,688**	**$ 22,035,754**	**$ 21,241,912**	**$ 793,842**	**3.60%**

NET POSITION ANALYSIS

	JUNE 30,				
	2026	**2025**	**2024**	**2023**	**2022**
NET POSITION					
Net Investment in Capital Assets	**$ 17,917,402**	$ 17,280,272	$ 17,083,472	$ 15,637,093	$ 13,846,661
Restricted	**4,790,537**	5,466,889	5,241,966	4,964,000	7,893,541
Unrestricted	**(41,231,086)**	(42,537,313)	(45,314,825)	(45,995,647)	(48,841,961)
Total Net Position (Deficit)	**$ (18,523,147)**	$ (19,790,152)	$ (22,989,387)	$ (25,394,554)	$ (27,101,759)
Unrestricted Net Position (Deficit)	**$ (41,231,086)**	$ (42,537,313)	$ (45,314,825)	$ (45,995,647)	$ (48,841,961)
Less:					
GASB 68 - Net Pension (Asset)/Liability and Deferred Inflows and Outflows	**(1,643,737)**	(1,134,544)	(1,004,604)	(1,584,139)	2,969,875
GASB 75 - OPEB Liability and Deferred Inflows and Outflows	**41,513,228**	45,085,200	48,016,189	49,712,493	51,031,349
Total Unrestricted Net Position (Deficit)	**$ (1,361,595)**	$ 1,413,343	$ 1,696,760	$ 2,132,707	$ 5,159,263

CURRENT AND FUTURE ACCOUNTING STANDARDS

Current Standards Implemented

- The School District implemented Governmental Accounting Standards Board (GASB) Statement No. 103, "Financial Reporting Model Improvements," and GASB Statement No. 104, "Disclosure of Certain Capital Assets," effective for the year ended June 30, 2026.

Future Accounting Standards

- GASB has issued Statement No. 105, "Subsequent Events," effective for the year ending June 30, 2027.