

MEXICO ACADEMY AND CENTRAL SCHOOL DISTRICT

EXECUTIVE SUMMARY



EXECUTIVE SUMMARY OF 2023 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
 - **Unmodified Opinion**
 - **One instance of noncompliance: net cash resources**
 - **Total federal expenses of \$5,039,950 for the year ended June 30, 2023**

EXECUTIVE SUMMARY OF 2023 AUDIT REPORT AND FINDINGS

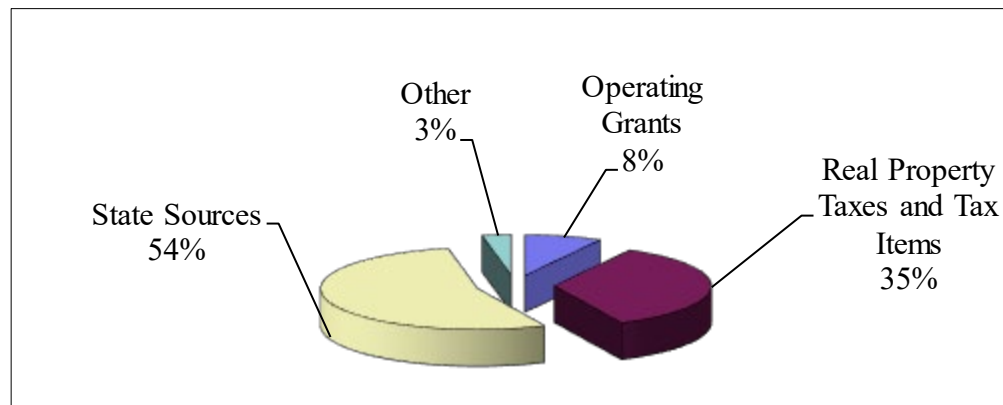
- Management Comment Letter
 - **No concerns or issues noted**
- Independent Auditors' Report on Extraclassroom Activity Funds
 - **Unmodified Opinion**
- Extraclassroom Activity Funds Management Comment Letter
 - **Several issues noted**

REQUIRED COMMUNICATIONS

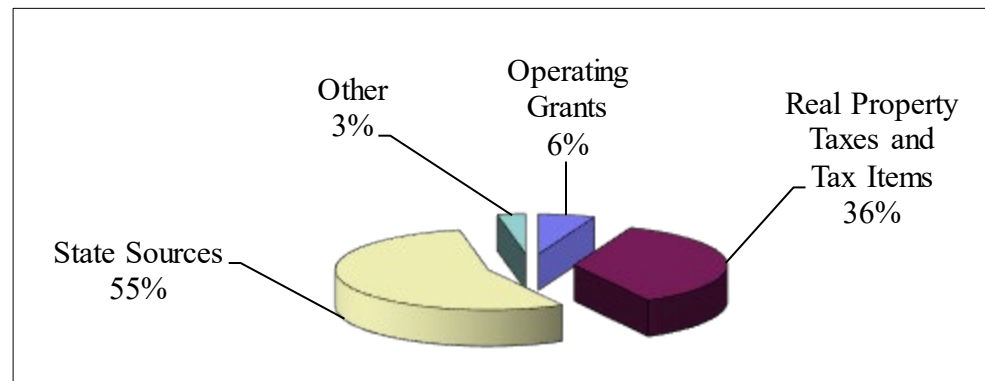
- Communication with Those Charged with Governance at the Conclusion of the Audit. **No comments of concern** to be reported regarding the following:
 - Qualitative Aspects of Accounting Practices
 - Difficulties Encountered in Performing the Audit
 - Corrected and Uncorrected Misstatements
 - Disagreements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

GOVERNMENTAL ACTIVITIES: REVENUE

2023

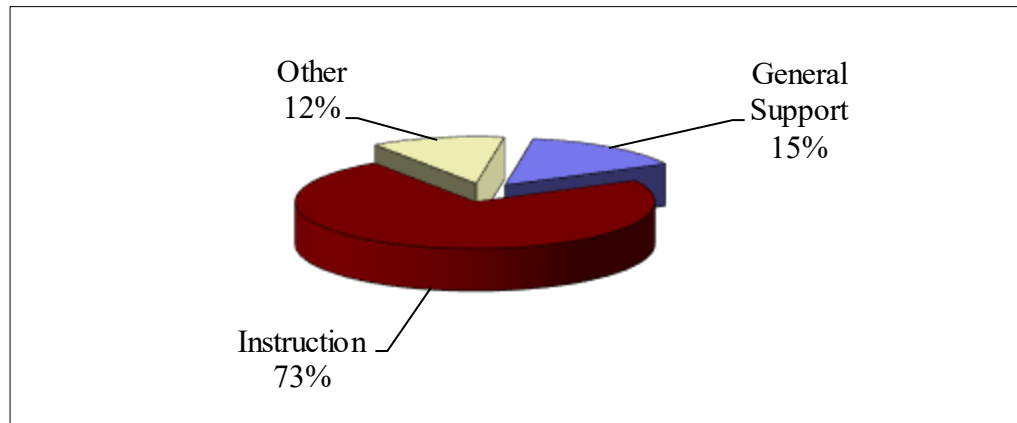


2022

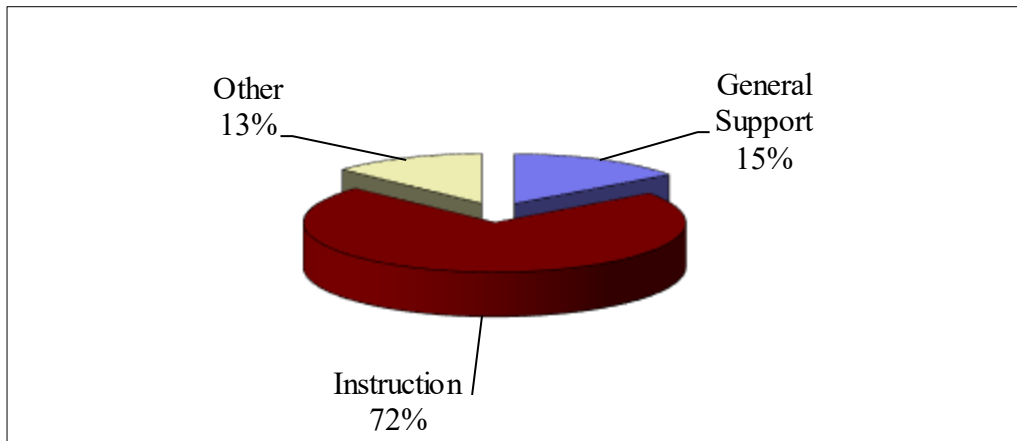


GOVERNMENTAL ACTIVITIES: EXPENSES

2023



2022



ASSETS - GENERAL FUND

	JUNE 30,				
	2023	2022	2021	2020	2019
ASSETS					
Cash and Investments	\$ 44,146,318	\$ 44,199,820	\$ 41,098,646	\$ 38,420,827	\$ 39,384,745
Receivables	2,642,343	2,442,172	2,874,921	2,591,782	2,117,952
Due from Other Funds	4,579,631	1,678,733	2,641,276	1,807,099	1,719,348
Total Assets	\$ 51,368,292	\$ 48,320,725	\$ 46,614,843	\$ 42,819,708	\$ 43,222,045

LIABILITIES - GENERAL FUND

	JUNE 30,				
	2023	2022	2021	2020	2019
LIABILITIES					
Accounts Payable and Accruals	\$ 829,356	\$ 809,212	\$ 694,984	\$ 757,583	\$ 628,456
Due to Retirement Systems	2,516,137	2,280,667	2,086,427	2,140,214	2,408,027
Unearned/Unavailable Revenue	5,803	4,895	3,385	-	964
Due to Other Funds	3,459,876	871,858	190,546	-	80,927
Other	562,998	564,007	522,010	471,046	397,698
Total Liabilities	\$ 7,374,170	\$ 4,530,639	\$ 3,497,352	\$ 3,368,843	\$ 3,516,072

FUND BALANCE - GENERAL FUND

	JUNE 30,				
	2023	2022	2021	2020	2019
FUND BALANCE					
Restricted	\$ 37,484,325	\$ 35,745,351	\$ 34,366,106	\$ 35,410,086	\$ 35,682,490
Assigned	3,987,001	4,098,185	2,209,246	1,736,011	1,809,154
Unassigned	2,522,796	3,946,550	6,542,139	2,304,768	2,214,329
Total Fund Balances	43,994,122	43,790,086	43,117,491	39,450,865	39,705,973
Total Liabilities and Fund Balances	\$ 51,368,292	\$ 48,320,725	\$ 46,614,843	\$ 42,819,708	\$ 43,222,045

REVENUES - GENERAL FUND

	JUNE 30,				
	2023	2022	2021	2020	2019
REVENUES					
Real Property Taxes (Including STAR)	\$ 21,756,841	\$ 21,768,970	\$ 21,643,055	\$ 21,643,764	\$ 22,266,938
State Sources	34,133,323	32,373,221	32,316,439	31,713,160	30,914,686
Other	1,843,220	1,548,606	2,394,506	1,541,284	1,514,673
Interfund Transfers	100,000	100,000	110,772	111,157	110,922
Total Revenues	\$ 57,833,384	\$ 55,790,797	\$ 56,464,772	\$ 55,009,365	\$ 54,807,219

EXPENDITURES - GENERAL FUND

	JUNE 30,				
	2023	2022	2021	2020	2019
EXPENDITURES					
General Support	\$ 6,608,338	\$ 6,376,722	\$ 6,283,515	\$ 6,209,625	\$ 6,208,438
Instruction	28,214,472	27,351,537	26,631,612	28,810,877	28,274,801
Transportation	2,891,829	2,915,721	2,436,496	2,644,640	2,654,595
Community Services	88,676	117,956	14,290	121,832	139,185
Employee Benefits	12,984,756	12,601,711	12,125,645	12,014,243	11,681,459
Debt Service	5,519,527	5,579,172	5,155,276	5,187,177	5,087,740
Interfund Transfers	1,321,750	175,383	151,312	276,079	148,220
Total Expenditures	57,629,348	55,118,202	52,798,146	55,264,473	54,194,438
Excess of Revenues (Expenditures)	\$ 204,036	\$ 672,595	\$ 3,666,626	\$ (255,108)	\$ 612,781

OTHER GOVERNMENTAL FUNDS

	JUNE 30,				
	2023	2022	2021	2020	2019
Capital Outlay	\$ 2,159,153	\$ 607,628	\$ 700,275	\$ 671,003	\$ 702,921
Special Aid - Revenues and Transfers	\$ 5,269,648	\$ 3,038,282	\$ 1,967,659	\$ 2,208,856	\$ 2,134,477
Special Aid - Expenditures and Transfers	\$ 5,269,648	\$ 2,992,759	\$ 2,013,182	\$ 2,208,856	\$ 2,134,477
School Lunch - Revenues	\$ 1,410,088	\$ 1,474,828	\$ 896,724	\$ 1,156,399	\$ 1,135,090
School Lunch - Expenditures	\$ 1,111,308	\$ 1,065,714	\$ 853,176	\$ 1,073,986	\$ 1,079,493

GENERAL FUND RESERVE BALANCES

	JUNE 30,				
	2023	2022	2021	2020	2019
Fund Balance					
Restricted					
Reserve for Employees' Retirement Contributions	\$ 1,672,980	\$ 1,657,118	\$ 1,652,521	\$ 1,647,521	\$ 1,642,599
Reserve for Teachers' Retirement Contributions	480,255	475,702	474,382	472,947	100,000
Tax Certiorari Reserve	-	-	1,113,253	2,206,884	3,030,291
Nuclear Facility Tax Stabilization Reserve	26,182,785	25,785,968	25,465,135	25,388,086	25,312,237
Unemployment Insurance Reserve	346,687	343,400	342,447	341,411	190,839
Liability Reserve	953,309	947,413	944,784	941,926	1,008,392
Employee Benefit Accrued					
Liability Reserve	4,427,729	4,385,750	4,373,584	4,360,352	4,347,325
Capital Reserves	3,420,580	2,150,000	-	50,959	50,807
Total Restricted	37,484,325	35,745,351	34,366,106	35,410,086	35,682,490
Assigned					
Appropriated for Next Year's Budget	3,750,000	3,956,233	2,000,000	1,555,000	1,743,587
Encumbrances	237,001	141,952	209,246	181,011	65,567
Total Assigned	3,987,001	4,098,185	2,209,246	1,736,011	1,809,154
Unassigned	2,522,796	3,946,550	6,542,139	2,304,768	2,214,329
Total Fund Balance	\$ 43,994,122	\$ 43,790,086	\$ 43,117,491	\$ 39,450,865	\$ 39,705,973

COMPLIANCE WITH §1318

	JUNE 30,				
<u>Compliance with §1318 of Real Property Law</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Next Year's Budget is a Voter Approved Budget	\$ 63,151,500	\$ 61,381,000	\$ 59,627,200	\$ 57,619,200	\$ 57,852,378
Maximum Allowed (4% of Budget)	2,526,060	2,455,240	2,385,088	2,304,768	2,314,095
General Fund Fund Balance Subject to §1318 of Real Property Law	2,522,796	3,946,550	6,542,139	2,304,768	2,214,329
Actual Percentage	3.99%	6.43%	10.97%	4.00%	3.83%

GENERAL FUND RESERVE ACTIVITY

Current Year Reserve Activity	Beginning Balance	Additions	Interest Earned	Appropriated	Ending Balance
Reserve for Employees' Retirement Contributions	\$ 1,657,118	\$ -	\$ 15,862	\$ -	\$ 1,672,980
Reserve for Teachers' Retirement Contributions	475,702	-	4,553	-	480,255
Tax Stabilization Reserve	25,785,968	150,000	246,817	-	26,182,785
Unemployment Insurance Reserve	343,400	-	3,287	-	346,687
Liability Reserve	947,413	-	9,069	3,173	953,309
Employee Benefit Accrued					
Liability Reserve	4,385,750	-	41,979	-	4,427,729
Capital Reserves	2,150,000	1,250,000	20,580	-	3,420,580
Total Current Year Reserve Activity	\$ 35,745,351	\$ 1,400,000	\$ 342,147	\$ 3,173	\$ 37,484,325

GENERAL FUND BUDGET - 2023

	2023				
	Original Budget	Revised Budget	Actual w/ Encumbrances	\$ Variance Fav. (Unfav.)	% Variance Fav. (Unfav.)
REVENUES					
Real Property Taxes	\$ 10,694,435	\$ 10,694,435	\$ 10,824,092	\$ 129,657	1.20%
Other Tax Items	11,076,237	11,076,237	10,932,749	(143,488)	(1.31%)
State Sources	34,627,595	34,627,595	34,133,323	(494,272)	(1.45%)
Federal Sources	100,000	100,000	189,654	89,654	47.27%
Other, Including Financing Sources	926,500	930,048	1,753,566	823,518	46.96%
Total Revenues and Other Financing Sources	57,424,767	57,428,315	\$ 57,833,384	\$ 405,069	0.70%
Appropriated Fund Balances, Reserves, and Encumbrances	4,098,185	4,098,185			
Total Revenues	\$ 61,522,952	\$ 61,526,500			
EXPENDITURES					
General Support	\$ 7,804,640	\$ 7,802,927	\$ 6,729,426	\$ 1,073,501	15.95%
Instruction	30,531,518	30,202,906	28,256,107	1,946,799	6.89%
Pupil Transportation	3,528,127	3,510,558	2,952,338	558,220	18.91%
Community Services	157,050	157,050	89,695	67,355	75.09%
Employee Benefits	14,032,942	12,997,680	12,997,506	174	0.00%
Debt Service	5,308,675	5,529,533	5,519,527	10,006	0.18%
Other Financing Uses	160,000	1,325,846	1,321,750	4,096	0.31%
Total Expenditures	\$ 61,522,952	\$ 61,526,500	\$ 57,866,349	\$ 3,660,151	6.33%

GENERAL FUND BUDGET - 2022

	2022				
	Original Budget	Revised Budget	Actual w/ Encumbrances	\$ Variance Fav. (Unfav.)	% Variance Fav. (Unfav.)
REVENUES					
Real Property Taxes	\$ 10,739,669	\$ 10,739,669	\$ 10,757,307	\$ 17,638	0.16%
Other Tax Items	11,144,154	11,144,154	11,011,663	(132,491)	(1.20%)
State Sources	33,404,561	33,404,561	32,373,221	(1,031,340)	(3.19%)
Medicaid Reimbursements	100,000	100,000	175,098	75,098	42.89%
Other, Including Financing Sources	1,126,501	1,137,318	1,473,508	336,190	22.82%
Total Revenues and Other Financing Sources	56,514,885	56,525,702	\$ 55,790,797	\$ (734,905)	(1.32%)
Appropriated Fund Balances	3,112,315	3,112,315			
Encumbrances Carried Forward from Prior Year	209,246	209,246			
Total Revenues	\$ 59,836,446	\$ 59,847,263			
EXPENDITURES					
General Support	\$ 7,850,346	\$ 7,834,637	\$ 6,395,424	\$ 1,439,213	22.50%
Instruction	29,246,626	29,257,768	27,460,140	1,797,628	6.55%
Pupil Transportation	3,250,945	3,250,945	2,915,721	335,224	11.50%
Community Services	149,450	149,450	117,956	31,494	26.70%
Employee Benefits	13,596,258	13,596,258	12,615,058	981,200	7.78%
Debt Service	5,582,821	5,582,822	5,579,172	3,650	0.07%
Other Financing Uses	160,000	175,383	175,383	-	0.00%
Total Expenditures	\$ 59,836,446	\$ 59,847,263	\$ 55,258,854	\$ 4,588,409	8.30%

NET POSITION ANALYSIS

	JUNE 30,				
	2023	2022	2021	2020	2019
NET POSITION					
Net Investment in Capital Assets	\$ 31,771,864	\$ 28,241,073	\$ 26,849,459	\$ 26,285,101	\$ 22,058,904
Restricted	39,862,231	37,906,410	36,215,269	37,312,058	37,940,693
Unrestricted	(14,998,055)	(10,782,190)	(13,370,813)	(62,812,586)	(55,714,040)
Total Net Position (Deficit)	\$ 56,636,040	\$ 55,365,293	\$ 49,693,915	\$ 784,573	\$ 4,285,557
Unrestricted Net Position (Deficit)	\$ (14,998,055)	\$ (10,782,190)	\$ (13,370,813)	\$ (62,812,586)	\$ (55,714,040)
(Less):					
GASB 68 - Net Pension (Asset)/Liability and Deferred Inflows and Outflows	(6,159,975)	(7,563,164)	(3,896,923)	(6,001,089)	(9,126,332)
GASB 75 - OPEB Liability and Deferred Inflows and Outflows	24,147,887	22,275,770	20,689,802	66,300,425	61,430,287
Total Unrestricted Net Position (Deficit)	\$ 2,989,857	\$ 3,930,416	\$ 3,422,066	\$ (2,513,250)	\$ (3,410,085)

CURRENT AND FUTURE ACCOUNTING STANDARDS

Current Standards Implemented

- The School District implemented GASB Statement No. 96 “Subscription-Based Information Technology Arrangements,” for the year ended June 30, 2023. There was no material effect on the financial statements.

Future Accounting Standards

- GASB has issued Statement No. 101 “Compensated Absences,” effective for the year ending June 30, 2025.



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