

# MEXICO ACADEMY AND CENTRAL SCHOOL DISTRICT

## EXECUTIVE SUMMARY



# EXECUTIVE SUMMARY OF 2024 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 repeat instance of noncompliance: net cash resources**
  - **Total federal expenses of \$5,850,665 for the year ended June 30, 2024**

# EXECUTIVE SUMMARY OF 2024 AUDIT REPORT AND FINDINGS

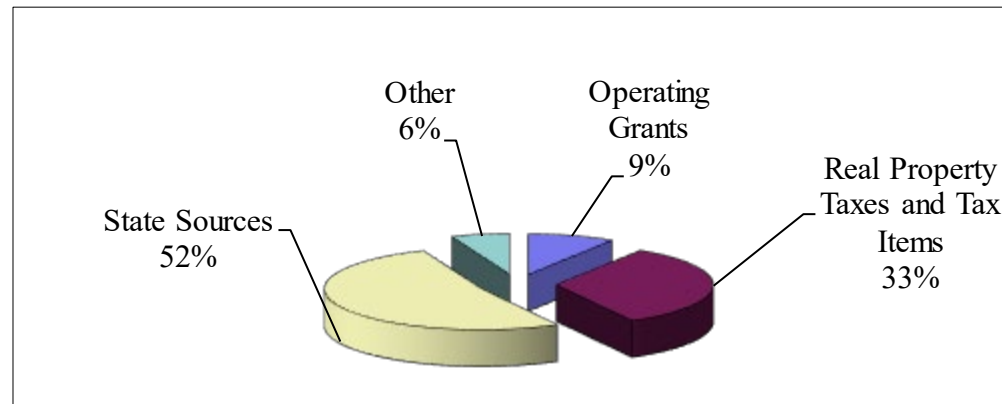
- Management Comment Letter
  - **One issue noted, related to procurement**
- Independent Auditors' Report on Extraclassroom Activity Funds
  - **Unmodified Opinion**
- Extraclassroom Activity Funds Management Comment Letter
  - **Several issues noted**

# REQUIRED COMMUNICATIONS

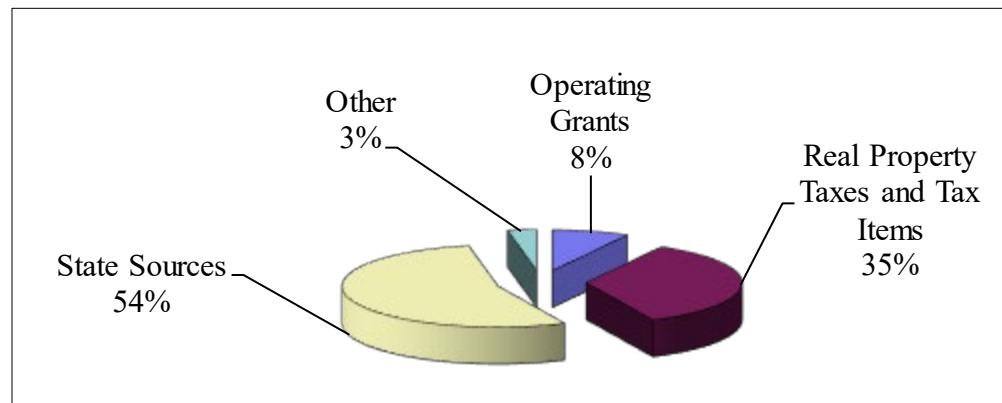
- Communication with Those Charged with Governance at the Conclusion of the Audit. **No comments of concern** to be reported regarding the following:
  - Qualitative Aspects of Accounting Practices
  - Difficulties Encountered in Performing the Audit
  - Corrected and Uncorrected Misstatements
  - Disagreements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

# GOVERNMENTAL ACTIVITIES: REVENUE

2024

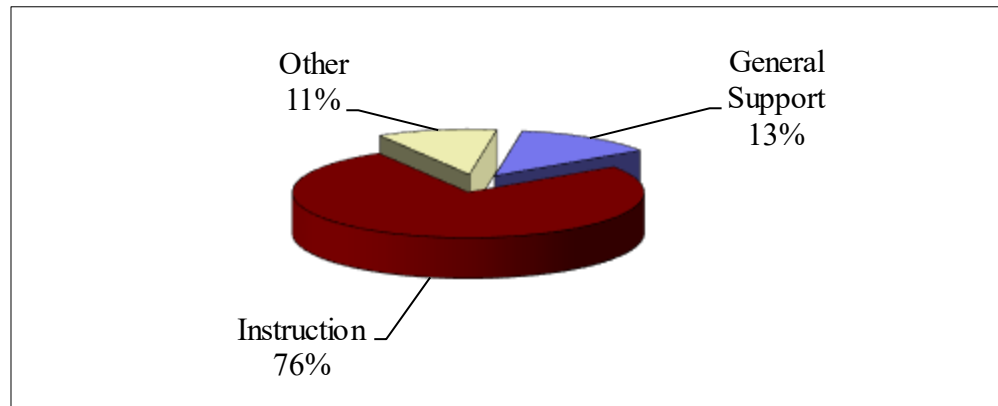


2023

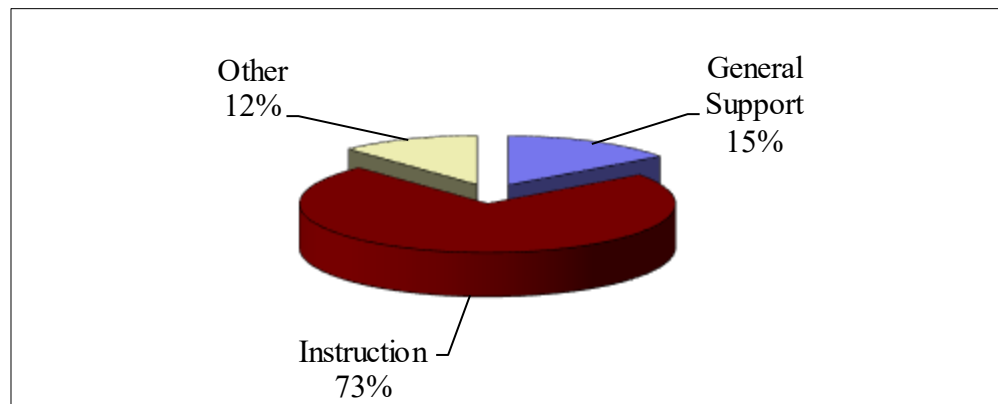


# GOVERNMENTAL ACTIVITIES: EXPENSES

2024



2023



# ASSETS: GENERAL FUND

	JUNE 30,				
	2024	2023	2022	2021	2020
<b>ASSETS</b>					
Cash and Investments	\$ 43,620,053	\$ 44,146,318	\$ 44,199,820	\$ 41,098,646	\$ 38,420,827
Receivables	3,633,029	2,642,343	2,442,172	2,874,921	2,591,782
Due From Other Funds	5,194,000	4,579,631	1,678,733	2,641,276	1,807,099
<b>Total Assets</b>	<b>\$ 52,447,082</b>	<b>\$ 51,368,292</b>	<b>\$ 48,320,725</b>	<b>\$ 46,614,843</b>	<b>\$ 42,819,708</b>

# LIABILITIES: GENERAL FUND

	JUNE 30,				
	2024	2023	2022	2021	2020
<b>LIABILITIES</b>					
Accounts Payable and Accruals	\$ 824,037	\$ 829,356	\$ 809,212	\$ 694,984	\$ 757,583
Due to Retirement Systems	2,519,277	2,516,137	2,280,667	2,086,427	2,140,214
Unearned/Unavailable Revenue	3,080	5,803	4,895	3,385	-
Due to Other Funds	3,972,304	3,459,876	871,858	190,546	-
Other	559,355	562,998	564,007	522,010	471,046
<b>Total Liabilities</b>	<b>\$ 7,878,053</b>	<b>\$ 7,374,170</b>	<b>\$ 4,530,639</b>	<b>\$ 3,497,352</b>	<b>\$ 3,368,843</b>

# FUND BALANCE: GENERAL FUND

	JUNE 30,				
	2024	2023	2022	2021	2020
<b>FUND BALANCE</b>					
Restricted	\$ 38,119,769	\$ 37,484,325	\$ 35,745,351	\$ 34,366,106	\$ 35,410,086
Assigned	3,821,939	3,987,001	4,098,185	2,209,246	1,736,011
Unassigned	2,627,321	2,522,796	3,946,550	6,542,139	2,304,768
<b>Total Fund Balances</b>	<b>44,569,029</b>	<b>43,994,122</b>	<b>43,790,086</b>	<b>43,117,491</b>	<b>39,450,865</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 52,447,082</b>	<b>\$ 51,368,292</b>	<b>\$ 48,320,725</b>	<b>\$ 46,614,843</b>	<b>\$ 42,819,708</b>

# REVENUES: GENERAL FUND

	JUNE 30,				
	2024	2023	2022	2021	2020
<b>REVENUES</b>					
Real Property Taxes (Including STAR)	\$ 22,101,781	\$ 21,756,841	\$ 21,768,970	\$ 21,643,055	\$ 21,643,764
State Sources	34,540,798	34,133,323	32,373,221	32,316,439	31,713,160
Other	3,636,629	1,843,220	1,548,606	2,394,506	1,541,284
Interfund Transfers	112,000	100,000	100,000	110,772	111,157
<b>Total Revenues</b>	<b>\$ 60,391,208</b>	<b>\$ 57,833,384</b>	<b>\$ 55,790,797</b>	<b>\$ 56,464,772</b>	<b>\$ 55,009,365</b>

# EXPENDITURES: GENERAL FUND

	JUNE 30,				
	2024	2023	2022	2021	2020
<b>EXPENDITURES</b>					
General Support	\$ 6,873,974	\$ 6,608,338	\$ 6,376,722	\$ 6,283,515	\$ 6,209,625
Instruction	29,464,351	28,214,472	27,351,537	26,631,612	28,810,877
Transportation	2,975,005	2,891,829	2,915,721	2,436,496	2,644,640
Community Services	89,692	88,676	117,956	14,290	121,832
Employee Benefits	13,588,210	12,984,756	12,601,711	12,125,645	12,014,243
Debt Service	5,121,147	5,519,527	5,579,172	5,155,276	5,187,177
Interfund Transfers	1,703,922	1,321,750	175,383	151,312	276,079
<b>Total Expenditures</b>	<b>59,816,301</b>	<b>57,629,348</b>	<b>55,118,202</b>	<b>52,798,146</b>	<b>55,264,473</b>
Excess of Revenues (Expenditures)	\$ 574,907	\$ 204,036	\$ 672,595	\$ 3,666,626	\$ (255,108)

# OTHER GOVERNMENTAL FUNDS

	JUNE 30,				
	2024	2023	2022	2021	2020
<b>Capital Outlay</b>	<b>\$ 1,101,502</b>	<b>\$ 2,159,153</b>	<b>\$ 607,628</b>	<b>\$ 700,275</b>	<b>\$ 671,003</b>
<b>Special Aid - Revenues and Transfers</b>	<b>\$ 5,668,764</b>	<b>\$ 5,269,648</b>	<b>\$ 3,038,282</b>	<b>\$ 1,967,659</b>	<b>\$ 2,208,856</b>
<b>Special Aid - Expenditures and Transfers</b>	<b>\$ 5,668,764</b>	<b>\$ 5,269,648</b>	<b>\$ 2,992,759</b>	<b>\$ 2,013,182</b>	<b>\$ 2,208,856</b>
<b>School Lunch - Revenues</b>	<b>\$ 1,788,240</b>	<b>\$ 1,410,088</b>	<b>\$ 1,474,828</b>	<b>\$ 896,724</b>	<b>\$ 1,156,399</b>
<b>School Lunch - Expenditures</b>	<b>\$ 1,556,848</b>	<b>\$ 1,111,308</b>	<b>\$ 1,065,714</b>	<b>\$ 853,176</b>	<b>\$ 1,073,986</b>

# GENERAL FUND RESERVE BALANCES

	JUNE 30,				
	2024	2023	2022	2021	2020
<b>Fund Balance</b>					
<b>Restricted</b>					
Reserve for Employees' Retirement Contributions	\$ 1,962,566	\$ 1,672,980	\$ 1,657,118	\$ 1,652,521	\$ 1,647,521
Reserve for Teachers' Retirement Contributions	502,527	480,255	475,702	474,382	472,947
Tax Certiorari Reserve	-	-	-	1,113,253	2,206,884
Nuclear Facility Tax Stabilization Reserve	27,490,080	26,182,785	25,785,968	25,465,135	25,388,086
Unemployment Insurance Reserve	362,765	346,687	343,400	342,447	341,411
Liability Reserve	997,519	953,309	947,413	944,784	941,926
Employee Benefit Accrued					
Liability Reserve	4,633,070	4,427,729	4,385,750	4,373,584	4,360,352
Capital Reserves	2,171,242	3,420,580	2,150,000	-	50,959
<b>Total Restricted</b>	<b>38,119,769</b>	<b>37,484,325</b>	<b>35,745,351</b>	<b>34,366,106</b>	<b>35,410,086</b>
<b>Assigned</b>					
Appropriated for Next Year's Budget	3,513,730	3,750,000	3,956,233	2,000,000	1,555,000
Encumbrances	308,209	237,001	141,952	209,246	181,011
<b>Total Assigned</b>	<b>3,821,939</b>	<b>3,987,001</b>	<b>4,098,185</b>	<b>2,209,246</b>	<b>1,736,011</b>
Unassigned	2,627,321	2,522,796	3,946,550	6,542,139	2,304,768
<b>Total Fund Balance</b>	<b>\$ 44,569,029</b>	<b>\$ 43,994,122</b>	<b>\$ 43,790,086</b>	<b>\$ 43,117,491</b>	<b>\$ 39,450,865</b>

# COMPLIANCE WITH §1318

	JUNE 30,				
<u>Compliance with §1318 of Real Property Law</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Next Year's Budget is a Voter Approved Budget	\$ 65,717,200	\$ 63,151,500	\$ 61,381,000	\$ 59,627,200	\$ 57,619,200
Maximum Allowed (4% of Budget)	2,628,688	2,526,060	2,455,240	2,385,088	2,304,768
General Fund Fund Balance Subject to §1318 of Real Property Law	2,627,321	2,522,796	3,946,550	6,542,139	2,304,768
Actual Percentage	4.00%	3.99%	6.43%	10.97%	4.00%

# GENERAL FUND RESERVE ACTIVITY

<b>Current Year Reserve Activity</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Interest Earned</b>	<b>Appropriated</b>	<b>Ending Balance</b>
Reserve for Employees' Retirement Contributions	\$ 1,672,980	\$ 212,000	\$ 77,586	\$ -	\$ 1,962,566
Reserve for Teachers' Retirement Contributions	480,255	-	22,272	-	502,527
Tax Stabilization Reserve	26,182,785	100,000	1,207,295	-	27,490,080
Unemployment Insurance Reserve	346,687	-	16,078	-	362,765
Liability Reserve	953,309	-	44,210	-	997,519
Employee Benefit Accrued					
Liability Reserve	4,427,729	-	205,341	-	4,633,070
Capital Reserves	3,420,580	150,000	100,662	(1,500,000)	2,171,242
<b>Total Current Year Reserve Activity</b>	<b>\$ 37,484,325</b>	<b>\$ 462,000</b>	<b>\$ 1,673,444</b>	<b>\$ (1,500,000)</b>	<b>\$ 38,119,769</b>

# GENERAL FUND BUDGET: 2024

	2024				
	Original Budget	Revised Budget	Actual w/ Encumbrances	\$ Variance Fav. (Unfav.)	% Variance Fav. (Unfav.)
<b>REVENUES</b>					
Real Property Taxes	\$ 11,011,795	\$ 11,011,795	\$ 11,299,606	\$ 287,811	2.55%
Other Tax Items	11,085,146	11,085,146	10,802,175	(282,971)	(2.62%)
State Sources	35,049,530	35,049,530	34,540,798	(508,732)	(1.47%)
Federal Sources	100,000	100,000	150,886	50,886	33.72%
Other, Including Financing Sources	942,000	944,498	3,597,743	2,653,245	73.75%
<b>Total Revenues and Other Financing Sources</b>	<b>58,188,471</b>	<b>58,190,969</b>	<b>\$ 60,391,208</b>	<b>\$ 2,200,239</b>	<b>3.64%</b>
Appropriated Fund Balances, Reserves, and Encumbrances	5,200,030	6,700,030			
<b>Total Revenues</b>	<b>\$ 63,388,501</b>	<b>\$ 64,890,999</b>			
<b>EXPENDITURES</b>					
General Support	\$ 8,073,905	\$ 8,132,507	\$ 6,946,471	\$ 1,186,036	17.07%
Instruction	31,667,676	31,532,741	29,489,554	2,043,187	6.93%
Pupil Transportation	3,653,558	3,651,497	3,035,514	615,983	20.29%
Community Services	155,699	155,699	89,692	66,007	73.59%
Employee Benefits	14,533,996	14,442,408	13,588,210	854,198	6.29%
Debt Service	5,138,667	5,271,147	5,271,147	-	0.00%
Other Financing Uses	165,000	1,705,000	1,703,922	1,078	0.06%
<b>Total Expenditures</b>	<b>\$ 63,388,501</b>	<b>\$ 64,890,999</b>	<b>\$ 60,124,510</b>	<b>\$ 4,766,489</b>	<b>7.93%</b>

# GENERAL FUND BUDGET: 2023

	2023				
	Original Budget	Revised Budget	Actual w/ Encumbrances	\$ Variance Fav. (Unfav.)	% Variance Fav. (Unfav.)
<b>REVENUES</b>					
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%
<b>Total Revenues and Other Financing Sources</b>	<u>57,424,767</u>	<u>57,428,315</u>	<u>\$ 57,833,384</u>	<u>\$ 405,069</u>	<u>0.70%</u>
Appropriated Fund Balances	<u>4,098,185</u>	<u>4,098,185</u>			
<b>Total Revenues</b>	<u><b>\$ 61,522,952</b></u>	<u><b>\$ 61,526,500</b></u>			
<b>EXPENDITURES</b>					
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%
<b>Total Expenditures</b>	<u><b>\$ 61,522,952</b></u>	<u><b>\$ 61,526,500</b></u>	<u><b>\$ 57,866,349</b></u>	<u><b>\$ 3,660,151</b></u>	<u><b>6.33%</b></u>

# NET POSITION ANALYSIS

	JUNE 30,				
	2024	2023	2022	2021	2020
<b>NET POSITION</b>					
Net Investment in Capital Assets	\$ 35,004,856	\$ 31,771,864	\$ 28,241,073	\$ 26,849,459	\$ 26,285,101
Restricted	41,666,889	39,862,231	37,906,410	36,215,269	37,312,058
Unrestricted	(19,862,207)	(14,998,055)	(10,782,190)	(13,370,813)	(62,812,586)
<b>Total Net Position (Deficit)</b>	<b>\$ 56,809,538</b>	<b>\$ 56,636,040</b>	<b>\$ 55,365,293</b>	<b>\$ 49,693,915</b>	<b>\$ 784,573</b>
<b>Unrestricted Net Position (Deficit)</b>	<b>\$ (19,862,207)</b>	<b>\$ (14,998,055)</b>	<b>\$ (10,782,190)</b>	<b>\$ (13,370,813)</b>	<b>\$ (62,812,586)</b>
(Less):					
GASB 68 - Net Pension (Asset)/Liability and Deferred Inflows and Outflows	(3,894,918)	(6,159,975)	(7,563,164)	(3,896,923)	(6,001,089)
GASB 75 - OPEB Liability and Deferred Inflows and Outflows	26,290,440	24,147,887	22,275,770	20,689,802	66,300,425
<b>Total Unrestricted Net Position (Deficit)</b>	<b>\$ 2,533,315</b>	<b>\$ 2,989,857</b>	<b>\$ 3,930,416</b>	<b>\$ 3,422,066</b>	<b>\$ (2,513,250)</b>

# CURRENT AND FUTURE ACCOUNTING STANDARDS

## **Current Standards Implemented**

- The School District implemented GASB Statement No. 100 “Accounting Changes and Error Corrections - an Amendment of GASB Statement No. 62,” for the year ended June 30, 2024. 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.
- GASB has issued Statement No. 102, “Certain Risk Disclosures,” effective for the year ending June 30, 2025.
- GASB has issued Statement No. 103, “Financial Reporting Model Improvements,” effective for the year ending June 30, 2026.



#### Disclaimer

The information contained herein is general in nature and based on authorities that are subject to change. Insero & Co. CPAs, LLP guarantees neither the accuracy nor completeness of any information and is not responsible for any errors or omission, or for results obtained by others as a result of reliance upon such information. Insero & Co. CPAs, LLP assumes no obligation to inform the reader of any changes in tax laws or other factors that could affect information contained herein. This publication does not, and is not intended to, provide legal, tax or accounting advice, and readers should consult their tax advisors concerning the application of tax laws to their particular situation. Any information contained herein, or on any website or email link associated with this document is not intended or written to be used, and cannot be used, for purposes of avoiding tax penalties that may be imposed on any taxpayer.

We are clients of the RSM Professional Services+ Practice. As a client, we have access to the Professional Services+ Collaborative, a globally connected community that provides access to an ecosystem of capabilities, collaboration, and camaraderie to help professional services firms grow and thrive in a rapidly changing business environment. As a participant in the PS+ Collaborative, we have the opportunity to interact and share best practices with other professional services firms across the U.S. and Canada.

