COMMUNICATION OF AUDIT RESULTS

MEXICO SCHOOL DISTRICT NO. 59

June 30, 2025

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December 10, 2025

To the Board of Education of the
Mexico School District No. 59
Mexico, Missouri:

We have audited the financial statements of the governmental activities and each major fund of Mexico School District No. 59 (the "District") for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, 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 June 4, 2025. 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 the 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 fiscal year 2025. We noted no transactions entered into by the 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 estimate affecting the District's financial statements was:

> Management's estimate of the amount of revenue in the budgeting process is based on prior year actual amounts and the current year assessed valuation and levy. We evaluated the methods, assumptions, and data used to develop the revenue budget amount in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

> The disclosure of FDIC and pledged collateral in Note 2 to the financial statements. Missouri state statutes require this to be done.

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.

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 December 10, 2025.

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 the 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 the 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.

The issuance of the final 2025 Federal Compliance Supplement was significantly delayed, resulting in an issuance on November 25, 2025. The delay has been largely attributed to the recent shutdown of the federal government. The audit of the financial statements and the state compliance examination are due to the Missouri Department of Elementary and Secondary Education ("DESE") each year by December 31st. Therefore, this audit report has been issued without the Single Audit to meet the state regulatory deadline. Once the performance of the Single Audit is completed, a second audit report will be issued. DESE has asked for the Single Audit reports to be submitted by January 30, 2026. Pending no major issues, we expect to meet this deadline.

Other Matters

We were not engaged to report on the budgetary comparison information, which accompanies the financial statements but is not Required Supplementary Information. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

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

Very truly yours,

Graves and Associates, CPAS, LLC

GRAVES AND ASSOCIATES, CPAs, LLC
Jefferson City, Missouri