

**MOUNT PLEASANT
INDEPENDENT SCHOOL DISTRICT**

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED**

AUGUST 31, 2021

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED AUGUST 31, 2021

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CERTIFICATE OF BOARD

Mount Pleasant Independent School District
Name of School District

Titus
County

225-902
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one) approved _____disapproved for the year ended August 31, 2021 at a meeting of the Board of Trustees of such school district on the ____ day of _____, 2021.

Signature of Board Secretary

Signature of Board President

If the Board of Trustees disapproved of the auditors' report, the reason(s) for disapproving it is (are):
(attach list as necessary)



INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Mount Pleasant Independent School District
Mount Pleasant, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Mount Pleasant Independent School District as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of August 31, 2021, and the respective changes in financial position, and where applicable, statement of cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and net pension liability and contributions to TRS and net OPEB liability and contributions to OPEB on pages 4 through 12 and pages 55 through 60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about 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 do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual non-major fund financial statements, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Texas Education Agency requires school districts to include certain information in the Annual Financial and Compliance Report in conformity with laws and regulations of the State of Texas. The information is in Exhibits identified in the Table of Contents as J-1, J-2, J-3 and J-4. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Arnold, Walker, Arnold & Co., P.C.

Arnold, Walker, Arnold & Co., P.C.

October 15, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the MOUNT PLEASANT Independent School District we offer readers of the MOUNT PLEASANT Independent School District's financial statements this narrative overview and analysis of the financial activities of the MOUNT PLEASANT Independent School District for the year ended August 31, 2021. The information presented here should be read in conjunction with the District's financial statements.

FINANCIAL HIGHLIGHTS

The District's total combined net position was \$5.77 million at August 31, 2021 after recording the net effects of the OPEB liability required by GASB 75 and the net pension liability. During the year, the District's total revenues exceeded expenses by \$6.91 million. The adjustment for the change to the OPEB liability and the pension liability that effected the current year decreased net position by \$789 thousand which was \$900 thousand less than the prior year. Total expenses of the District were \$68.8 million for the year. Revenues were \$75.6 million, which was a decrease of \$696 thousand or less than 1%. Insurance recovery of \$1.15 million was received the prior year. State aid increased \$971 thousand. The decrease for expenses was \$3.46 million or 4.7%. The decrease in plant maintenance and security costs explain most of the decrease.

The District reported unassigned fund balance in the general fund of \$22.1 million at August 31, 2021, which is an increase of \$660 thousand. Fund balance of \$4.7 million was committed for construction and equipment. An additional \$603 thousand was added to the fund balance restricted for retirement of debt in the general fund. Revenues increased \$1.1 million. Property tax revenue was more than the prior year by \$575 thousand. State revenue increased \$968 thousand. Total General Fund expenditures were \$50.89 million which was up \$306 thousand over the prior year.

Approximately 98% of the taxes levied for 2020-2021 were collected by fiscal year.

Under accounting standards as per GASB 68 that began in 2015, the District's portion of the net position liability has been recorded in the government-wide statements. The District's portion of this liability and the related deferred outflow and inflow is a net liability of \$12.3 million.

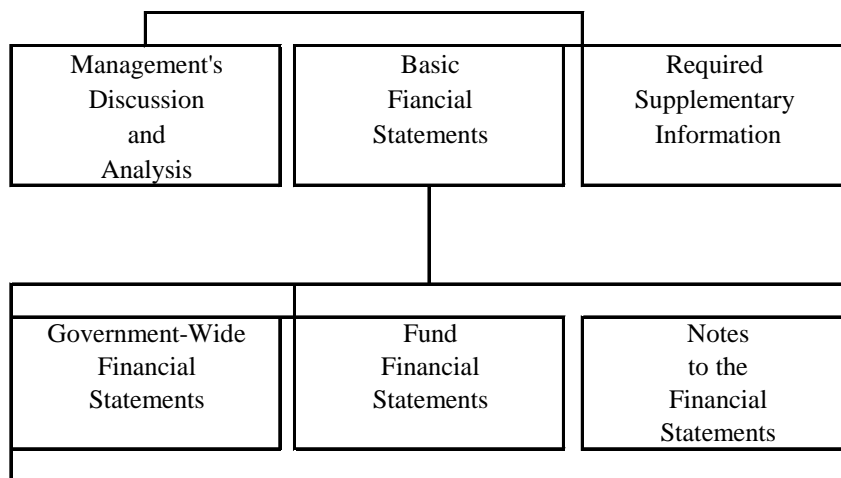
Under accounting standards as per GASB 75, which began in 2018 the District's portion of the net OPEB liability for TRS Care has been recorded in the government-wide statements. The District's portion of this liability and the related deferred outflow and inflow is a net liability of \$27.2 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts--*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District's operations in *more detail* than the government-wide statements.
 - The *governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.
 - *Proprietary fund* statements offer *short-* and *long-term* financial information about the activities the government operates *like businesses*, such as a snack bar or after school child care program.
 - *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

Figure A-1. Required Components of the District's Annual Financial Report



Summary ⇌ Detail

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-2. Major Features of the District's Government-wide Fund Financial Statements

<i>Type of Statements</i>	Government-wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
<i>Scope</i>	Entire Agency's government (except fiduciary funds) and the Agency's component units	The activities of the district that are not proprietary or fiduciary	Activities the district operates similar to private businesses: self insurance	Instances in which the district is the trustee or agent for someone else's resources
<i>Required financial statements</i>	*Statement of net position	*Balance sheet	*Statement of net position	*Statement of fiduciary net position
	*Statement of activities	*Statement of revenues, Expenditures & changes in fund balances	*Statement of revenues, expenses and changes in fund net position *Statement of cash flows	*Statement of changes in fiduciary net position
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included	all assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the Agency's funds do not currently contain capital assets, although they can
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon after	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's *net position* and how they have changed. Net position, the difference between the District's assets and liabilities, is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, consideration should be given to additional non-financial factors such as changes in the District's tax base.

The government-wide financial statements of the District include the *Governmental activities*. Most of the District's basic services are included here, such as instruction, extracurricular activities, curriculum and staff development, health services, and general administration. Property taxes and grants finance most of these activities. Also included are business-type activities. The District charges a fee to "customers" to help cover the costs of services provided.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant *funds*-not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The District has three kinds of funds:

- *Governmental funds*-Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided that explains the relationship (or differences) between them.
- *Proprietary funds*-Services for which the District charges customers a fee are generally reported in enterprise funds. Enterprise funds, like the government-wide statements, provide both long-term and short-term financial information. *Internal service funds* are used to report activities that provide supplies and services for the District's other programs and activities-such as the District's Self Insurance Fund for worker's compensation.
- *Fiduciary funds*-The District is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that-because of a trust arrangement-can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. These activities are excluded from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. The District's combined net position increased \$6.9 million over the prior year.

Table A-1
The District's Net Position
(in thousands of dollars)

	Governmental Activities		Business Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	61,754	85,526	38	38	61,792	85,564
Capital and non-current assets	89,083	61,357	16	20	89,099	61,377
TOTAL ASSETS	150,837	146,883	54	58	150,891	146,941
Deferred outflow related to TRS pension	6,322	8,075	-	-	6,322	8,075
Deferred outflow related to TRS OPEB	3,322	3,767	-	-	3,322	3,767
TOTAL DEFERRED OUTFLOW OF RESOURCES	9,644	11,842	-	-	9,644	11,842
Long-term liabilities	132,634	140,934	-	-	132,634	140,934
Other liabilities	6,368	6,540	2	2	6,368	6,542
TOTAL LIABILITIES	139,002	147,474	-	2	139,002	147,476
Deferred inflow related to TRS pension	2,804	2,853	-	-	2,804	2,853
Deferred inflow related to TRS OPEB	12,956	9,496	-	-	12,956	9,496
TOTAL DEFERRED INFLOWS OF RESOURCES	15,760	12,349	-	-	15,760	12,349
Net position						
Net investment in capital assets	9,446	7,813	-	-	9,446	7,813
Restricted	7,334	5,857	-	-	7,334	5,857
Unrestricted	(11,061)	(14,768)	54	56	(11,007)	(14,712)
TOTAL NET POSITION	5,719	(1,098)	54	56	5,773	(1,042)

Net investment in capital assets reflects the book value of the District's capital assets in excess of the debt which financed those assets. Including the District's net pension liability and the OPEB liability net of the related deferred outflows/inflows decreased net position by \$12.3 million and \$27.2 million respectively.

The \$7.33 million is restricted as follows:

Restricted for food service	678		
Restricted for debt service	6,467		
Restricted for other purposes	189		
	<u>7,334</u>		

The District has approximately \$19.6 million of debt proceeds received in a prior year that has not been spent yet. These funds are restricted for capital projects but has been included in net investment in fixed assets above.

Net position of the District's governmental activities increased \$6.8 million. The increase was the result of these main factors. First, the District's expenditures exceeded revenues by \$23 million because of construction costs of \$29.6 million. Second, the District recorded depreciation of \$4.46 million. Third, an additional \$1.23 million of net pension liability net of the related deferred inflow/outflow and a decrease to OPEB liability net of related deferred inflows/outflows of \$449 thousand have been recorded. The District added \$32 million of new fixed assets. Most was from construction paid out of bond proceeds received the previous year. \$2.8 million was paid in debt principal.

Changes in net position.

The District's total revenues were \$75.76 million. 25% of this comes from taxes, 48% was from state aid formula grants and 22% came from operating grants and contributions.

The total cost of all programs was \$68.8 million. Approximately 74% of this was for instructional and student services.

Net position increased by \$6.9 million from the excess of revenues over expenses.

Table A-2
The District's Changes in Net Position
(in thousands of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
<u>Program Revenues</u>						
Charges for Services	2,496	2,499	71	55	2,567	2,554
Operating Grants and Contributions	16,482	16,365	-	-	16,482	16,365
<u>General Revenues</u>						
Property Taxes	19,205	19,035	-	-	19,205	19,035
State aid - formula	36,631	35,660	-	-	36,631	35,660
Investment earnings	327	1,255	-	-	327	1,255
Insurance recovery	6	1,147	-	-	6	1,147
Other	540	438	-	-	540	438
Total Revenues	<u>75,687</u>	<u>76,399</u>	<u>71</u>	<u>55</u>	<u>75,758</u>	<u>76,454</u>
Expenses						
Instruction and instructional related	40,997	41,070	-	-	40,997	41,070
Instructional leadership/school administration	4,279	4,350	-	-	4,279	4,350
Guidance, social work, health, transportation	5,349	5,251	-	-	5,349	5,251
Food services	3,351	3,842	-	-	3,351	3,842
Extracurricular activities	1,595	1,750	-	-	1,595	1,750
General Administration	1,425	1,478	-	-	1,425	1,478
Plant maintenance and security	5,779	8,065	-	-	5,779	8,065
Data processing services	905	710	-	-	905	710
Community services	288	300	73	61	361	361
Debt service	2,474	2,772	-	-	2,474	2,772
Facilities acquisition and construction	29	335	-	-	29	335
Pmts to fiscal agent/member districts - shared service	2,031	2,051	-	-	2,031	2,051
Other intergovernmental charges	275	280	-	-	275	280
Total Expenses	<u>68,777</u>	<u>72,254</u>	<u>73</u>	<u>61</u>	<u>68,850</u>	<u>72,315</u>
Increase (Decrease) in Net Position	6,910	4,145	(2)	(6)	6,908	4,139
Beginning Net Position	(1,098)	(3,923)	56	62	(1,042)	(3,861)
Prior Period Adjustment	(93)	(1,320)	-	-	(93)	(1,320)
Ending Net Position	<u>5,719</u>	<u>(1,098)</u>	<u>54</u>	<u>56</u>	<u>5,773</u>	<u>(1,042)</u>

The prior period adjustments are related to the issuance of refunds related to the 20% local option homestead exemption that had been repealed for the tax years 2015-2018 but was reinstated.

Table A-3 presents the cost of each of the District's largest functions as well as each function's *net cost* (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by state revenues as well as local tax dollars.

- The cost of all *governmental* activities this year was \$68.8 million.
- However, the amount that taxpayers paid for these activities through property taxes was only \$19.2 million.
- Some of the cost was paid by those who directly benefited from the programs (\$2.5 million), or by grants and contributions (\$16.5 million).

Table A-3
Net Cost of Selected District Functions
(in thousands of dollars)

	Total Cost of Services		Net Cost of Services	
	2021	2020	2021	2020
Instruction	40,977	41,070	29,065	29,493
School administration	4,279	4,350	3,157	3,200
Plant Maintenance & Operations	5,779	8,065	5,456	7,679
Debt Service-Interest & Fiscal Charges	2,474	2,772	2,474	2,772

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District reported fund balance in its governmental funds of approximately \$54 million reflecting a net decrease of \$24 million. The general fund balance increased \$5.16 million. Reasons for the change are explained above on page 4. The food service fund balance increased by \$4 thousand to a balance of \$678 thousand. The debt service fund balance increased by \$855 thousand to a balance of \$1.98 million at August 31, 2021 because of increased state funding and smaller debt payments. The remaining decrease is in the capital projects fund as \$30 million of bond proceeds received in a prior year was spent on construction this year leaving \$19.6 million to be used to complete construction.

General Fund Budgetary Highlights

Some budget amendments were made during the year. Actual revenue exceeded budgeted revenue by \$2.9 million or 5.5% mainly because state revenue was more than budgeted and Covid related payments were received this year. Expenditures were \$2.25 million or 4.2% less than budgeted. \$416 thousand less was spent in instruction than budgeted. Debt principal and interest payments were \$678 thousand less than budgeted. The actual net increase in fund balance was \$5.2 million more had been budgeted because of the above items.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Table A-4
District's Capital Assets
(in thousands of dollars)

	Governmental Activities	
	2021	2020
Land	1,878	1,878
Buildings and improvements	110,475	108,588
Furniture and equipment	17,532	15,589
Construction in progress	34,735	6,655
Totals at historical cost	<u>164,620</u>	<u>132,710</u>
Total accumulated depreciation	<u>(75,536)</u>	<u>(71,353)</u>
Net capital assets	<u><u>89,084</u></u>	<u><u>61,357</u></u>

Approximately \$32 million of fixed assets were acquired through construction or purchase. Most of this was purchased out of debt proceeds received in a previous year.

Long-Term Debt

Table A-5
District's Long-Term Debt
(in thousands of dollars)

	Governmental	
	2021	2020
Bonds payable	78,770	81,903
Notes payable	20,439	20,786
Total bonds and notes payable	<u><u>99,209</u></u>	<u><u>102,689</u></u>

\$2.8 million was paid on principal this year. The 2011 Unlimited Tax Refunding Bonds were refunded with the issuance of the Series 2021 Unlimited Tax Refunding Bonds.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

School began in 2020-2021 on time and with success. TEA (Texas Education Agency) implemented a hold-harmless methodology for ADA (average daily attendance) for the entire year due to the ongoing pandemic. For the first two six-weeks periods, the District's ADA was higher than the TEA hold-harmless amounts. Enrollment declined by approximately 200 students after mandating on campus instruction in November 2020. Therefore, TEA hold harmless amounts were utilized for the remainder of the year. Overall, with the application of hold-harmless and award of two significant COVID sources of funding in the Prior Purchase Reimbursement Programs and the Coronavirus Relief Fund, the District was able to adequately fund the 2020-2021 budget. With this influx of funding, the District was able to purchase additional technology equipment, busses and other capital necessary to respond to the pandemic.

The District was also awarded three additional federal grants from TEA to respond to the pandemic. ESSER I, II & III funds were awarded beginning in the 2019-2020 school year. Some of the funding was used by TEA to offset the hold harmless funds but the remainder has come to the District to be used through 2024 to mitigate learning loss and respond to the pandemic.

In 2020-2021, significant progress was made in completing the construction approved in the 2019 bond issue. All of the safety and security projects were completed and the High School additions and renovations are still on track to be completed in August 2022.

The 2021-2022 school year began smoothly. Enrollment was still down by 200 from the two years prior but attendance has been above 90% despite the surge in COVID 19 infections. The Board adopted a balanced budget and dropped the tax rate by \$.0327.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the MOUNT PLEASANT Independent School District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the District's Central Business Office.

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
AUGUST 31, 2021

EXHIBIT A-1

Data Control Codes	1	2	3
	Primary Government		
	Governmental Activities	Business Type Activities	Total
ASSETS			
1110 Cash and Cash Equivalents	\$ 19,128,617	\$ 38,117	\$ 19,166,734
1120 Current Investments	39,306,368	-	39,306,368
1210 Property Taxes - Current	1,200,922	-	1,200,922
1230 Allowance for Uncollectible Taxes	(720,554)	-	(720,554)
1240 Due from Other Governments	2,469,140	-	2,469,140
1300 Inventories	166,834	-	166,834
1410 Prepayments	201,795	-	201,795
Capital Assets:			
1510 Land	1,877,685	-	1,877,685
1520 Buildings, Net	47,170,110	-	47,170,110
1530 Furniture and Equipment, Net	5,300,750	16,315	5,317,065
1580 Construction in Progress	34,735,464	-	34,735,464
1000 Total Assets	<u>150,837,131</u>	<u>54,432</u>	<u>150,891,563</u>
DEFERRED OUTFLOWS OF RESOURCES			
1705 Deferred Outflow Related to TRS Pension	6,321,835	-	6,321,835
1706 Deferred Outflow Related to TRS OPEB	3,322,074	-	3,322,074
1700 Total Deferred Outflows of Resources	<u>9,643,909</u>	<u>-</u>	<u>9,643,909</u>
LIABILITIES			
2110 Accounts Payable	3,138,264	73	3,138,337
2150 Payroll Deductions and Withholdings	376,515	-	376,515
2160 Accrued Wages Payable	2,237,636	-	2,237,636
2180 Due to Other Governments	362,104	-	362,104
2300 Unearned Revenue	253,477	-	253,477
Noncurrent Liabilities:			
2501 Due Within One Year: Loans, Note, Leases, etc. Due in More than One Year:	2,965,000	-	2,965,000
2502 Bonds, Notes, Leases, etc.	96,244,053	-	96,244,053
2540 Net Pension Liability (District's Share)	15,828,726	-	15,828,726
2545 Net OPEB Liability (District's Share)	17,596,002	-	17,596,002
2000 Total Liabilities	<u>139,001,777</u>	<u>73</u>	<u>139,001,850</u>
DEFERRED INFLOWS OF RESOURCES			
2605 Deferred Inflow Related to TRS Pension	2,803,897	-	2,803,897
2606 Deferred Inflow Related to TRS OPEB	12,956,369	-	12,956,369
2600 Total Deferred Inflows of Resources	<u>15,760,266</u>	<u>-</u>	<u>15,760,266</u>
NET POSITION			
3200 Net Investment in Capital Assets	9,446,196	-	9,446,196
Restricted:			
3820 Restricted for Federal and State Programs	677,661	-	677,661
3850 Restricted for Debt Service	6,467,028	-	6,467,028
3890 Restricted for Other Purposes	188,794	-	188,794
3900 Unrestricted	(11,060,682)	54,359	(11,006,323)
3000 Total Net Position	<u>\$ 5,718,997</u>	<u>\$ 54,359</u>	<u>\$ 5,773,356</u>

The notes to the financial statements are an integral part of this statement.

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	1	Program Revenues	
		3	4
	Expenses	Charges for Services	Operating Grants and Contributions
Primary Government:			
GOVERNMENTAL ACTIVITIES:			
11 Instruction	\$ 39,550,263	\$ 2,023,068	\$ 9,610,195
12 Instructional Resources and Media Services	399,356	-	46,678
13 Curriculum and Instructional Staff Development	1,047,367	-	252,234
21 Instructional Leadership	1,073,016	236,110	434,814
23 School Leadership	3,205,860	-	450,643
31 Guidance, Counseling, and Evaluation Services	2,553,248	-	1,328,710
33 Health Services	551,857	-	205,680
34 Student (Pupil) Transportation	2,243,495	12,553	104,446
35 Food Services	3,350,517	79,112	3,192,462
36 Extracurricular Activities	1,595,437	92,153	64,212
41 General Administration	1,425,448	-	64,212
51 Facilities Maintenance and Operations	5,191,320	21,609	262,306
52 Security and Monitoring Services	587,422	-	37,834
53 Data Processing Services	904,952	-	127,164
61 Community Services	288,288	2,426	282,835
72 Debt Service - Interest on Long-Term Debt	2,212,054	-	-
73 Debt Service - Bond Issuance Cost and Fees	261,856	-	-
81 Capital Outlay	29,049	-	-
93 Pavments Related to Shared Services Arrangements	2,031,746	28,648	17,768
99 Other Intergovernmental Charges	274,552	-	-
[TG] Total Governmental Activities:	<u>68,777,103</u>	<u>2,495,679</u>	<u>16,482,193</u>
BUSINESS-TYPE ACTIVITIES:			
01 After School	65,335	59,402	-
02 Concessions	547	-	-
03 Career Training Center	7,434	12,293	-
[TB] Total Business-Type Activities:	<u>73,316</u>	<u>71,695</u>	<u>-</u>
[TP] TOTAL PRIMARY GOVERNMENT:	<u>\$ 68,850,419</u>	<u>\$ 2,567,374</u>	<u>\$ 16,482,193</u>
Data	General Revenues:		
Control	Taxes:		
Codes	Property Taxes, Levied for General Purposes		
MT	Property Taxes, Levied for Debt Service		
DT	State Aid - Formula Grants		
SF	Investment Earnings		
IE	Miscellaneous Local and Intermediate Revenue		
MI	Total General Revenues		
TR	Change in Net Position		
CN	Net Position - Beginning		
NB	Prior Period Adjustment		
PA	Net Position - Ending		
NE			

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position		
6	7	8
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (27,917,000)	\$ -	\$ (27,917,000)
(352,678)	-	(352,678)
(795,133)	-	(795,133)
(402,092)	-	(402,092)
(2,755,217)	-	(2,755,217)
(1,224,538)	-	(1,224,538)
(346,177)	-	(346,177)
(2,126,496)	-	(2,126,496)
(78,943)	-	(78,943)
(1,439,072)	-	(1,439,072)
(1,361,236)	-	(1,361,236)
(4,907,405)	-	(4,907,405)
(549,588)	-	(549,588)
(777,788)	-	(777,788)
(3,027)	-	(3,027)
(2,212,054)	-	(2,212,054)
(261,856)	-	(261,856)
(29,049)	-	(29,049)
(1,985,330)	-	(1,985,330)
(274,552)	-	(274,552)
<u>(49,799,231)</u>	<u>-</u>	<u>(49,799,231)</u>
-	(5,933)	(5,933)
-	(547)	(547)
-	4,859	4,859
<u>-</u>	<u>(1,621)</u>	<u>(1,621)</u>
<u>(49,799,231)</u>	<u>(1,621)</u>	<u>(49,800,852)</u>
14,382,973	-	14,382,973
4,822,917	-	4,822,917
36,630,892	-	36,630,892
327,531	-	327,531
545,648	-	545,648
<u>56,709,961</u>	<u>-</u>	<u>56,709,961</u>
6,910,730	(1,621)	6,909,109
(1,098,453)	55,980	(1,042,473)
(93,280)	-	(93,280)
<u>\$ 5,718,997</u>	<u>\$ 54,359</u>	<u>\$ 5,773,356</u>

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2021

Data Control Codes	10 General Fund	60 Capital Projects	Other Funds	Total Governmental Funds
ASSETS				
1110 Cash and Cash Equivalents	\$ 15,940,648	\$ 232,842	\$ 2,415,914	\$ 18,589,404
1120 Investments - Current	17,646,417	21,043,884	72,369	38,762,670
1210 Property Taxes - Current	1,032,793	-	168,129	1,200,922
1230 Allowance for Uncollectible Taxes	(619,677)	-	(100,877)	(720,554)
1240 Due from Other Governments	1,772,456	-	696,684	2,469,140
1300 Inventories	166,834	-	-	166,834
1410 Prepayments	-	-	201,795	201,795
1000 Total Assets	<u>\$ 35,939,471</u>	<u>\$ 21,276,726</u>	<u>\$ 3,454,014</u>	<u>\$ 60,670,211</u>
LIABILITIES				
2110 Accounts Payable	\$ 1,012,908	\$ 1,705,486	\$ 257,153	\$ 2,975,547
2150 Payroll Deductions and Withholdings Payable	376,515	-	-	376,515
2160 Accrued Wages Payable	2,237,636	-	-	2,237,636
2180 Due to Other Governments	331,911	-	30,193	362,104
2300 Unearned Revenue	-	-	253,477	253,477
2000 Total Liabilities	<u>3,958,970</u>	<u>1,705,486</u>	<u>540,823</u>	<u>6,205,279</u>
DEFERRED INFLOWS OF RESOURCES				
2601 Unavailable Revenue - Property Taxes	413,116	-	67,252	480,368
2600 Total Deferred Inflows of Resources	<u>413,116</u>	<u>-</u>	<u>67,252</u>	<u>480,368</u>
FUND BALANCES				
Nonspendable Fund Balance:				
3410 Inventories	166,834	-	-	166,834
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	-	-	677,661	677,661
3470 Capital Acquisition and Contractual Obligation	-	19,571,240	-	19,571,240
3480 Retirement of Long-Term Debt	4,487,544	-	1,979,484	6,467,028
3490 Other Restricted Fund Balance	-	-	188,794	188,794
Committed Fund Balance:				
3510 Construction	4,264,581	-	-	4,264,581
3530 Capital Expenditures for Equipment	455,078	-	-	455,078
3600 Unassigned Fund Balance	22,193,348	-	-	22,193,348
3000 Total Fund Balances	<u>31,567,385</u>	<u>19,571,240</u>	<u>2,845,939</u>	<u>53,984,564</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 35,939,471</u>	<u>\$ 21,276,726</u>	<u>\$ 3,454,014</u>	<u>\$ 60,670,211</u>

The notes to the financial statements are an integral part of this statement.

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
AUGUST 31, 2021

EXHIBIT C-2

Total Fund Balances - Governmental Funds	\$	53,984,564
1 The District uses internal service funds to charge the costs of certain activities, such as self-insurance to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. The net effect of this consolidation is to increase net position.		920,194
2 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$132,710,242 and the accumulated depreciation was (\$71,353,507). In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to decrease net position. Note: Beginning Balances related to TRS are NOT included in this amount.		(41,332,472)
3 Current year capital outlays and debt principal are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2021 capital outlays and debt principal payments is to decrease net position.		35,006,423
4 Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68. At the beginning of the year, the net position related to TRS was a Deferred Resource Outflow in the amount of \$8,074,567, a Deferred Resource Inflow in the amount of \$2,853,003, and a net pension liability in the amount of \$16,294,085. The impact of this on Net Position is \$(11,072,521). Changes in the plan reported by TRS for this measurement period resulted in a decrease in net position in the amount of \$(1,238,267). The combination of the beginning of the year amounts and the changes during the year resulted in a difference between the ending fund balance and the ending net position in the amount of \$(12,310,788).		(12,310,788)
5 Included in the items related to debt is the recognition of the District's proportionate share of the net OPEB liability required by GASB 75. At the beginning of the year, the net position related to the OPEB liability was a Deferred Resource Outflow in the amount of \$3,766,536, a Deferred Resource Inflow in the amount of \$9,496,021 and a net OPEB liability in the amount of \$21,950,289. The impact of this on Net Position is \$(27,679,774). Changes in the OPEB reported by TRS for this measurement period resulted in an increase in net position in the amount of \$449,477. The combination of the beginning of the year amounts and the changes during the year resulted in a difference between the ending fund balance and the ending net position in the amount of \$(27,230,297).		(27,230,297)
6 The 2021 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.		(4,464,149)
7 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net position.		1,145,522
19 Net Position of Governmental Activities	\$	5,718,997

The notes to the financial statements are an integral part of this statement.

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	10 General Fund	60 Capital Projects	Other Funds	Total Governmental Funds
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 15,192,517	\$ 56,871	\$ 7,308,010	\$ 22,557,398
5800 State Program Revenues	38,317,970	-	1,509,907	39,827,877
5900 Federal Program Revenues	2,592,798	-	9,905,777	12,498,575
5020 Total Revenues	<u>56,103,285</u>	<u>56,871</u>	<u>18,723,694</u>	<u>74,883,850</u>
EXPENDITURES:				
Current:				
0011 Instruction	28,354,746	-	6,501,035	34,855,781
0012 Instructional Resources and Media Services	379,607	-	16,214	395,821
0013 Curriculum and Instructional Staff Development	827,828	-	188,031	1,015,859
0021 Instructional Leadership	424,217	-	605,071	1,029,288
0023 School Leadership	2,871,386	-	236,412	3,107,798
0031 Guidance, Counseling, and Evaluation Services	1,274,565	-	1,163,255	2,437,820
0033 Health Services	362,527	-	173,574	536,101
0034 Student (Pupil) Transportation	2,141,326	-	116,999	2,258,325
0035 Food Services	131,654	-	3,138,329	3,269,983
0036 Extracurricular Activities	1,553,837	-	(13,077)	1,540,760
0041 General Administration	1,388,169	-	-	1,388,169
0051 Facilities Maintenance and Operations	4,865,784	-	223,288	5,089,072
0052 Security and Monitoring Services	535,598	-	5,728	541,326
0053 Data Processing Services	680,611	-	95,058	775,669
0061 Community Services	19,400	-	253,132	272,532
Debt Service:				
0071 Principal on Long-Term Debt	320,000	-	2,495,000	2,815,000
0072 Interest on Long-Term Debt	406,468	-	2,728,477	3,134,945
0073 Bond Issuance Cost and Fees	2,419	-	158,374	160,793
Capital Outlay:				
0081 Facilities Acquisition and Construction	2,084,270	29,631,163	-	31,715,433
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	1,985,330	-	46,416	2,031,746
0099 Other Intergovernmental Charges	274,552	-	-	274,552
6030 Total Expenditures	<u>50,884,294</u>	<u>29,631,163</u>	<u>18,131,316</u>	<u>98,646,773</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,218,991</u>	<u>(29,574,292)</u>	<u>592,378</u>	<u>(23,762,923)</u>
OTHER FINANCING SOURCES (USES):				
7901 Refunding Bonds Issued	-	-	5,205,000	5,205,000
7912 Sale of Real and Personal Property	24,876	-	404	25,280
7916 Premium or Discount on Issuance of Bonds	-	-	827,736	827,736
8940 Payment to Bond Refunding Escrow Agent (Use)	-	-	(5,876,062)	(5,876,062)
7080 Total Other Financing Sources (Uses)	<u>24,876</u>	<u>-</u>	<u>157,078</u>	<u>181,954</u>
1200 Net Change in Fund Balances	5,243,867	(29,574,292)	749,456	(23,580,969)
0100 Fund Balance - September 1 (Beginning)	26,401,323	49,145,532	2,111,958	77,658,813
1300 Increase (Decrease) in Fund Balance	<u>(77,805)</u>	<u>-</u>	<u>(15,475)</u>	<u>(93,280)</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 31,567,385</u>	<u>\$ 19,571,240</u>	<u>\$ 2,845,939</u>	<u>\$ 53,984,564</u>

The notes to the financial statements are an integral part of this statement.

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED AUGUST 31, 2021

EXHIBIT C-4

Total Net Change in Fund Balances - Governmental Funds	\$ (23,580,969)
The District uses internal service funds to charge the costs of certain activities, such as self-insurance to appropriate functions in other funds. The net income (loss) of internal service funds are reported with governmental activities. The net effect of this consolidation is to increase net position.	80,991
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2021 capital outlays and debt principal payments is to increase net position.	35,006,423
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.	(4,464,149)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net position.	657,224
Current year changes due to GASB 68 resulted in a net effect on the change in the ending net position as a decrease in the amount of \$(1,238,267)	(1,238,267)
Current year changes due to GASB 75 resulted in a net effect on the change in the ending net position as an increase in the amount of \$449,477.	449,477
Change in Net Position of Governmental Activities	\$ 6,910,730

The notes to the financial statements are an integral part of this statement.

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 15,161,930	\$ 15,161,930	\$ 15,192,517	\$ 30,587
5800 State Program Revenues	31,603,020	37,171,564	38,317,970	1,146,406
5900 Federal Program Revenues	800,000	800,000	2,592,798	1,792,798
5020 Total Revenues	47,564,950	53,133,494	56,103,285	2,969,791
EXPENDITURES:				
Current:				
0011 Instruction	27,014,105	28,771,215	28,354,746	416,469
0012 Instructional Resources and Media Services	374,105	391,628	379,607	12,021
0013 Curriculum and Instructional Staff Development	854,145	892,493	827,828	64,665
0021 Instructional Leadership	384,160	436,101	424,217	11,884
0023 School Leadership	2,771,690	2,947,409	2,871,386	76,023
0031 Guidance, Counseling, and Evaluation Services	1,119,240	1,279,991	1,274,565	5,426
0033 Health Services	349,060	374,253	362,527	11,726
0034 Student (Pupil) Transportation	1,969,030	2,283,451	2,141,326	142,125
0035 Food Services	-	369,853	131,654	238,199
0036 Extracurricular Activities	1,741,800	1,794,335	1,553,837	240,498
0041 General Administration	1,331,950	1,394,122	1,388,169	5,953
0051 Facilities Maintenance and Operations	4,880,040	4,939,056	4,865,784	73,272
0052 Security and Monitoring Services	545,905	569,782	535,598	34,184
0053 Data Processing Services	643,450	718,557	680,611	37,946
0061 Community Services	5,500	22,701	19,400	3,301
Debt Service:				
0071 Principal on Long-Term Debt	834,230	834,230	320,000	514,230
0072 Interest on Long-Term Debt	408,440	570,440	406,468	163,972
0073 Bond Issuance Cost and Fees	2,500	2,500	2,419	81
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	2,205,777	2,084,270	121,507
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	2,010,600	2,010,600	1,985,330	25,270
0099 Other Intergovernmental Charges	330,000	330,000	274,552	55,448
6030 Total Expenditures	47,569,950	53,138,494	50,884,294	2,254,200
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,000)	(5,000)	5,218,991	5,223,991
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	5,000	5,000	24,876	19,876
1200 Net Change in Fund Balances	-	-	5,243,867	5,243,867
0100 Fund Balance - September 1 (Beginning)	26,401,323	26,401,323	26,401,323	-
1300 Increase (Decrease) in Fund Balance	-	-	(77,805)	(77,805)
3000 Fund Balance - August 31 (Ending)	\$ 26,401,323	\$ 26,401,323	\$ 31,567,385	\$ 5,166,062

The notes to the financial statements are an integral part of this statement.

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AUGUST 31, 2021

EXHIBIT D-1

	Business-Type Activities -	Governmental Activities -
	Total Enterprise Funds	Total Internal Service Funds
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 38,117	\$ 539,213
Investments - Current	-	543,698
Total Current Assets	38,117	1,082,911
Noncurrent Assets:		
Capital Assets:		
Furniture and Equipment	54,428	7,994
Depreciation on Furniture and Equipment	(38,113)	(7,994)
Total Noncurrent Assets	16,315	-
Total Assets	54,432	1,082,911
LIABILITIES		
Current Liabilities:		
Accounts Payable	73	162,717
Total Liabilities	73	162,717
NET POSITION		
Unrestricted Net Position	54,359	920,194
Total Net Position	\$ 54,359	\$ 920,194

The notes to the financial statements are an integral part of this statement.

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2021

	Business-Type Activities -	Governmental Activities -
	Total Enterprise Funds	Total Internal Service Funds
OPERATING REVENUES:		
Local and Intermediate Sources	\$ 71,695	\$ 389,414
Total Operating Revenues	<u>71,695</u>	<u>389,414</u>
OPERATING EXPENSES:		
Payroll Costs	51,309	85,030
Professional and Contracted Services	132	212,797
Supplies and Materials	17,705	9,286
Other Operating Costs	224	1,310
Depreciation Expense	3,946	-
Total Operating Expenses	<u>73,316</u>	<u>308,423</u>
Operating Income (Loss)	(1,621)	80,991
Total Net Position - September 1 (Beginning)	<u>55,980</u>	<u>839,203</u>
Total Net Position - August 31 (Ending)	<u><u>\$ 54,359</u></u>	<u><u>\$ 920,194</u></u>

The notes to the financial statements are an integral part of this statement.

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2021

EXHIBIT D-3

	Business-Type Activities	Governmental Activities -
	Total Enterprise Funds	Total Internal Service Funds
<u>Cash Flows from Operating Activities:</u>		
Cash Received from User Charges	\$ 71,695	\$ 389,091
Cash Payments to Employees for Services	(51,309)	(85,030)
Cash Payments for Suppliers	(19,912)	(14,377)
Cash Payments for Other Operating Expenses	(464)	(201,240)
Net Cash Provided by Operating Activities	<u>10</u>	<u>88,444</u>
<u>Cash Flows from Non-Capital Financing Activities:</u>		
Increase(decrease) in Short-term Loans	-	-
<u>Cash Flows from Capital & Related Financing Activities:</u>		
Acquisition of Capital Assets	-	-
<u>Cash Flows from Investing Activities:</u>		
Purchase of Investment Securities	-	-
Net Increase in Cash and Cash Equivalents	<u>10</u>	<u>88,444</u>
Cash and Cash Equivalents at Beginning of Year	<u>38,107</u>	<u>450,769</u>
Cash and Cash Equivalents at End of Year	<u>\$ 38,117</u>	<u>\$ 539,213</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>		
<u>Provided by Operating Activities:</u>		
Operating Income (Loss):	\$ (1,621)	\$ 80,991
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	3,838	-
Effect of Increases and Decreases in Current Assets and Liabilities:		
Decrease (increase) in Investments	-	(323)
Increase (decrease) in Accounts Payable	(2,207)	7,776
Net Cash Provided by Operating Activities	<u>\$ 10</u>	<u>\$ 88,444</u>

The notes to the financial statements are an integral part of this statement.

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 AUGUST 31, 2021

	Total Custodial Funds
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 289,586
Total Assets	<u>289,586</u>
LIABILITIES	
Accounts Payable	<u>2,629</u>
Total Liabilities	<u>2,629</u>
NET POSITION	
Restricted for Other Purposes	<u>286,957</u>
Total Net Position	<u>\$ 286,957</u>

The notes to the financial statements are an integral part of this statement.

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY FUND NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2021

	Total Custodial Funds
ADDITIONS:	
Miscellaneous Revenue - Student	\$ 273,043
Contributions, Gifts and Donations	14,783
Total Additions	287,826
DEDUCTIONS:	
Supplies and Materials	178,629
Other Deductions	68,987
Total Deductions	247,616
Change in Fiduciary Net Position	40,210
 Total Net Position - September 1 (Beginning)	 -
Prior Period Adjustment	246,747
Total Net Position - August 31 (Ending)	\$ 286,957

The notes to the financial statements are an integral part of this statement.

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT (the "District") is a public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven member Board of Trustees (the "Board") elected by registered voters of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board and other authoritative sources identified in *Statement on Auditing Standards No. 69* of the American Institute of Certified Public Accountants; and it complies with the requirements of the appropriate version of Texas Education Agency's *Financial Accountability System Resource Guide* (the "Resource Guide") and the requirements of contracts and grants of agencies from which it receives funds.

Pensions. The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits. The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS Care Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from TRS Care's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan and all cash is held in a cash account.

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT applies Governmental Accounting Standards Board ("GASB") Statement No. 72, Fair Value Measurement and Application. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements. The District's investments are accounted for using the cost amortization method.

A. REPORTING ENTITY

The Board of Trustees (the "Board") is elected by the public and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the District is a financial reporting entity as defined by the Governmental Accounting Standards Board ("GASB") in its Statement No. 14, "The Financial Reporting Entity." There are no component units related to the District.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT and its component unit's non-fiduciary activities with most of the inter-fund activities removed. *Governmental activities* include programs supported primarily by taxes, State foundation funds, grants and other intergovernmental revenues. Business type activities include operations that rely to a significant extent on fees and charges for support.

The Texas Education Agency's Commissioner of Education ordered the closure of Winfield Independent School District (Winfield ISD) effective July 1, 2018. At that date, the District was annexed by Mount Pleasant Independent School District.

The Statement of Activities demonstrates how other people or entities that participate in programs the District operates have shared in the payment of the direct costs. Direct costs are those that are clearly identifiable with a specific function. Program revenues of the District include charges for services and operating grants and contributions. The "charges for services" column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the District. Examples include tuition paid by students not residing in the district, school lunch charges, etc. The "grants and contributions" column includes amounts paid by organizations outside the District to help meet the operational or capital requirements of a given function. Examples include grants under the Elementary and Secondary Education Act. If a revenue is not a program revenue, it is a general revenue used to support all of the District's functions. Taxes are always general revenues.

Interfund activities between governmental funds and between governmental funds and proprietary funds appear as due to/due froms on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Position and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance and on the Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Position. All interfund transactions between governmental funds and between governmental funds and internal service funds are eliminated on the government-wide statements. Interfund activities between governmental funds and enterprise funds remain on the government-wide statements and appear on the government-wide Statement of Net Position as internal balances and on the Statement of Activities as interfund transfers. Interfund activities between governmental funds and fiduciary funds remain as due to/due froms on the government-wide Statement of Activities.

The fund financial statements provide reports on the financial condition and results of operations for three fund categories - governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds cannot be used for District operations, they are not included in the government-wide statements. The District considers some governmental funds major and reports their financial condition and results of operations in a separate column.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues result from providing goods and services in connection with a proprietary fund's principal ongoing operations; they usually come from exchange or exchange-like transactions. All other revenues are non-operating. Operating expenses can be tied specifically to the production of the goods and services, such as materials and labor and direct overhead. Other expenses are non-operating.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting, as do the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for un-matured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The District considers all revenues available if they are collectible within 60 days after year end.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the "susceptible to accrual" concept, that is, when they are both measurable and available. The District considers them "available" if they will be collected within 60 days of the end of the fiscal year. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the District to refund all or part of the unused amount.

The Proprietary Fund Types and Fiduciary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Position. The fund equity is segregated into invested in capital assets net of related debt, restricted net position, and unrestricted net position.

D. FUND ACCOUNTING

The District's accounts are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which are comprised of each funds assets, liabilities, equity, revenues and expenditures.

The District reports the following major governmental funds:

- 1. The General Fund** – The general fund is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
- 2. Capital Projects Fund** – The proceeds from long-term debt financing and revenue and expenditures related to authorized construction and other capital asset acquisitions are accounted for in a capital projects fund.

Additionally, the District reports the following fund type(s):

Governmental Funds:

- 1. Special Revenue Funds** – The District accounts for resources restricted to, or designated for, specific purposes by the District or a grantor in a special revenue fund. Most Federal and some State financial assistance is accounted for in a Special Revenue Fund, and sometimes unused balances must be returned to the grantor at the close of specified project periods.
- 2. Debt Service Funds** -- The District accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a debt service fund.

Proprietary Funds:

- 1. Enterprise Funds** -- The District's activities for which outside users are charged a fee roughly equal to the cost of providing the goods or services of those activities are accounted for in an enterprise fund. The District's non-major Enterprise Funds are an after school program and concession stand operations.

2. **Internal Service Funds** - Revenues and expenses related to services provided to organizations inside the District on a cost reimbursement basis are accounted for in an internal service fund. The District's Internal Service Funds are a self-funded worker's compensation fund, a print shop operation, and a section 125 benefit program.

Fiduciary Funds:

1. **Custodial Fund** - The District accounts for resources held for others in a custodial capacity in custodial funds. These funds are used to account for assets held by the District as an agent for student and other organizations. These funds were previously reported in an agency fund. This change resulted in reporting the detail of additions to and deductions from custodial funds causing a change in the fund net position whereas these details were not reported for agency funds. This change is a result of the implementation of GASB 84. The District's Custodial Fund is made up of student group funds.

E. OTHER ACCOUNTING POLICIES

1. For purposes of the statement of cash flows for proprietary funds, the District considers highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.
2. The District reports inventories of supplies at weighted average cost including consumable maintenance, instructional, office, athletic, and transportation items. Supplies are recorded as expenditures when they are consumed. Inventories of food commodities are recorded at market values supplied by the United States Department of Agriculture (USDA). Although commodities are received at no cost, their fair market value is supplied by the USDA. When requisitioned, inventory and deferred revenue are relieved, expenditures are charged, and revenue is recognized for an equal
3. In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

4. Capital assets, which include land, buildings, furniture and equipment are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Buildings, furniture and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building Improvements	20-50
Vehicles	10
Office Equipment	10
Computer Equipment	10

5. Investments are carried at fair value.
6. Since Internal Service Funds support the operations of governmental funds, they are consolidated with the governmental funds in the government-wide financial statements. The expenditures of governmental funds that create the revenues of internal service funds are eliminated to avoid "grossing up" the revenues and expenses of the District as a whole.
7. Some cash and investments are restricted for future debt payments.
8. The District has a self-insurance fund for worker's compensation insurance.
9. In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Commitments of fund balance represent tentative management plans that are subject to change.
10. When the District incurs an expense for which it may use either restricted or unrestricted assets, it uses the restricted assets first whenever they will have to be returned if they are not used.
11. The Data Control Codes refer to the account code structure prescribed by TEA in the *Financial Accountability System Resource Guide*. Texas Education Agency requires school districts to display these codes in the financial statements filed with the Agency in order to insure accuracy in building a State-wide data base for policy development and funding plans.
12. School Districts are required to report all expenses by function, except certain indirect expenses. General administration and data processing service functions (data control codes 41 and 53, respectively) include expenses that are indirect expenses of other functions. These indirect expenses are not allocated to other functions.
13. Deferred Outflows/Inflows of Resources—The District implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position and GASB Statement No. 65, Items Previously Reported as Assets and Liabilities for the year ended August 31, 2013. The District implemented GASB Statement No. 68 Accounting and Financial Reporting for Pensions for the year ended August 31, 2015. The District implemented GASB Statement No. 75 Accounting and Financial Reporting for Other Post-Employment Benefits for the year ended August 31, 2018. In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three types of items that qualify for reporting in this category, deferred charge for refunding bonded indebtedness and deferred outflows related to TRS as per GASB 68 related to pension accounting, and related to TRS OPEB related to TRS Care. These will be recognized as an outflow of resources in the subsequent years as they are amortized.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has three types of items that qualify for reporting in this category, property taxes and deferred inflows related to TRS, and related to TRS Care. These amounts will be recognized as an inflow of resources in the subsequent years as collected.

14. Fund balance measures the net financial resources available to finance expenditures of future periods.

The District's Unassigned General Fund Balance will be maintained to provide the District with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing. The Unassigned General Fund balance may only be appropriated by resolution of the Board of Trustees.

Fund balance of the District may be committed for a specific source by formal action of the Mount Pleasant ISD Board of Trustees. Amendments or modifications of the committed fund balance must also be approved by formal action of the Mount Pleasant ISD Board of Trustees.

When it is appropriate for fund balance to be assigned, the Board delegates authority to the Superintendent and Chief Financial Officer.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

Exhibit C-2 provides the reconciliation between the fund balance for total governmental funds on the governmental fund balance sheet and the net position for governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that capital assets are not financial resources and are therefore not reported in governmental funds. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period and are not reported as liabilities in the funds. The details of capital assets and long-term debt at the beginning of the year were as follows:

<u>Capital Assets at the Beginning of the year</u>	<u>Historic Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Value at the Beginning of the Year</u>	<u>Change in Net Position</u>
Land	1,877,685	-	1,877,685	
Buildings	108,587,931	(59,667,315)	48,920,616	
Furniture & Equipment	15,589,289	(11,686,192)	3,903,097	
Construction in progress	6,655,337	-	6,655,337	
Change in Net Assets	<u>132,710,242</u>	<u>(71,353,507)</u>		<u>61,356,735</u>
<u>Long-term Liabilities at the Beginning of the year</u>			<u>Payable at the Beginning of the Year</u>	
Bonds Payable			72,680,000	
Loans Payable			20,785,346	
Unamortized Premium/Discount			<u>9,223,861</u>	
Change in Net Position				<u>102,689,207</u>
Net Adjustment to Net Position				<u><u>(41,332,472)</u></u>

B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

Exhibit C-4 provides a reconciliation between the net changes in fund balance as shown on the governmental fund statement of revenues, expenditures, and changes in fund balances and the changes in net position of governmental activities as reported on the government-wide statement of activities. One element of that reconciliation explains that current year capital outlays and debt principal payments are expenditures in the fund financial statements, but should be shown as increases in capital assets and decreases in long-term debt in the government-wide statements. This adjustment affects both the net position balance and the change in net position. The details of this adjustment are as follows:

	<u>Amount</u>	<u>Adjustments to Changes in Net Position</u>	<u>Adjustments to Position</u>
<u>Current year Capital Outlay</u>			
Buildings & Improvements	102,988	102,988	102,988
Furniture & Equipment	2,224,742	2,224,742	2,224,742
Construction in Progress	29,863,693	29,863,693	29,863,693
Total Capital Outlay	<u>32,191,423</u>	<u>32,191,423</u>	<u>32,191,423</u>
Book value of asset dispositions	-	-	-
<u>Debt Principal Payments</u>			
Bond Principal	2,495,000	2,495,000	2,495,000
Note Principal	320,000	320,000	320,000
Total Principal Payments	<u>2,815,000</u>	<u>2,815,000</u>	<u>2,815,000</u>
Total Adjustment to Net Position		<u><u>35,006,423</u></u>	<u><u>35,006,423</u></u>

Another element of the reconciliation on Exhibit C-4 is described as various other reclassifications and eliminations necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. This adjustment is the result of several items. The details for this element are as follows:

	<u>Amount</u>	<u>Adjustments to Change in Net Position</u>	<u>Adjustments to Net Position</u>
<u>Adjustments to Revenue and Deferred Revenue</u>			
Taxes Collected from Prior Year Levies	431,704	(431,704)	-
Uncollected taxes (assumed collectible) from Current Year Levy	283,107	283,107	283,107
Uncollected Taxes (assumed collectible) from Prior Year Levy	197,261	-	197,261
Effect of prior year tax entries	140,667	140,667	-
<u>Other Adjustments</u>			
Debt refunding costs	257,737	(257,737)	(257,737)
Premium/discount amortization	922,891	922,891	922,891
Total		<u><u>657,224</u></u>	<u><u>1,145,522</u></u>

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY DATA

The Board of Trustees adopts an "appropriated budget" for the General Fund, Debt Service Fund and the Food Service Fund which is included in the Special Revenue Funds. The District is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds if they are considered major funds. The District compares the final amended budget to actual revenues and expenditures. The General Fund Budget report appears in Exhibit C-5 and the other two reports are in Exhibit J-2 and J-3.

The following procedures are followed in establishing the budgetary data reflected in the general-purpose financial statements:

1. Prior to August 20 the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days' public notice of the meeting must be given.
3. Prior to September 1, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end. Because the District has a policy of careful budgetary control, several amendments were necessary during the year. However, none of these were significant.
4. Each budget is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year end. A reconciliation of fund balances for both appropriated budget and non-appropriated budget special revenue funds is as follows:

	August 31, 2021
	<u>Fund Balance</u>
Appropriated Budget Funds - Food Service Special Revenue Fund	677,661
Nonappropriated Budget Funds	<u>188,794</u>
All Special Revenue Funds	<u><u>866,455</u></u>

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents

District Policies and Legal and Contractual Provisions Governing Deposits

Custodial Credit Risk for Deposits State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agent. Since the district complies with this law, it has no custodial credit risk for deposits.

Foreign Currency Risk The District limits the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit by not allowing foreign currency investments.

As of August 31, 2020, the following are the District's cash and cash equivalents with respective maturities and credit rating:

Type of Deposit	Fair Value	Percent	Maturity in Less than 1 year	Maturity in 1-10 Years	Maturity in Over 10 Years	Credit Rating
Cash, Money Markets and						
FDIC Insured Accounts	19,456,325	100.00%	19,456,325	-	-	N/A
Total Cash and Cash Equivalents	\$ 19,456,325	100.00%	\$ 19,456,325	\$ -	\$ -	

In addition, the following is disclosed regarding coverage of combined balances on the date of highest deposit:

- a. Depository: Guaranty Bank and Trust
- b. The market value of securities pledged as of the date of the highest combined balance on deposit was \$15,421,163.
- c. The highest combined balances of cash, savings, and time deposit accounts amounted to \$15,204,645 and occurred during the month of August, 2021.
- d. Total amount of FDIC coverage at the time of the highest combined balance was \$250,000.

Investments

Statutes authorize the entity to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas and its agencies; (2) guaranteed or secured certificates of deposit issued by state and national banks domiciled in Texas; (3) obligations of states, agencies, counties, cities and other political subdivisions of any state having been rated as to investment quality not less than an "A"; (4) No load money market funds with a weighted average maturity of 90 days or less; (5) fully collateralized repurchase agreements; (6) commercial paper having a stated maturity of 270 days or less from the date of issuance and is not rated less than A-1 or P-1 by two nationally recognized credit rating agencies OR one nationally recognized credit agency and is fully secured by an irrevocable letter of credit; (7) secured corporate bonds rated not lower than "AA-" or the equivalent; (8) public funds investment pools; and (9) guaranteed investment contracts for bond proceeds investment only, with a defined termination date and secured by U.S. Government direct or agency obligations approved by the Texas public Funds Investment Act in an amount equal to the bond proceeds. The Act also requires the entity to have independent auditors perform test procedures related to investment practices as provided by the Act. MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT is in substantial compliance with the requirements of the Act and with local policies.

Additional policies and contractual provisions governing investments for MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT are specified below:

Credit Risk To limit the risk that an issuer or other counterparty to an investment will not fulfill its obligations the District limits investments in commercial paper, corporate bonds, mutual bond funds to the top ratings issued by nationally recognized statistical rating organizations (NRSROs). As of August 31, 2021, the district's investments in commercial paper were rated, AAf/SI+ and AAAM by Standard & Poor's.

Custodial Credit Risk for Investments To limit the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in possession of an outside party the District requires counterparties to register the securities in the name of the district and hand them over to the District or its designated agent. This includes securities in securities lending transactions. All of the securities are in the District's name and held by the District or its agent.

Concentration of Credit Risk To limit the risk of loss attributed to the magnitude of a government's investment in a single issuer, the District limits investments to less than 5% of its total investments. The District further limits investments in a single issuer when they would cause investment risks to be significantly greater in the governmental and business-type activities, individual major funds, aggregate non-major funds and fiduciary fund types than they are in the primary government. Usually this limitation is 20%.

Interest Rate Risk To limit the risk that changes in interest rates will adversely affect the fair value of investments, the District requires all of the investment portfolio to have maturities of less than one year.

Foreign Currency Risk for Investments The District limits the risk that changes in exchange rates will adversely affect the fair value of an investment by not allowing foreign investments.

The District categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below. In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The District's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

In this discussion and in the table below, investments are defined according to GASB 72 as a security or other asset that (a) a government holds primarily for the purpose of income or profit and (b) has a present service capacity based solely on its ability to generate cash or to be sold to generate cash. An asset initially reported as a capital asset and later held for sale would not subsequently be reclassified as an investment.

As of August 31, 2021, MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT had the following investments subject to the fair value measurement.

	Balance at August 31, 2021	Fair Value Measurements Using Quoted Prices in			Credit Rating
		Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Investment by Fair Value Level					
Debt Securities:					
U.S. Treasury Securities	1,572,255	1,572,255	-	-	AAAm
Repurchase Agreement	393,063	393,063	-	-	AAAm
Commercial Paper	37,341,050	-	37,341,050	-	AAAm
Total Debt Securities	39,306,368	1,965,318	37,341,050	-	
Total	39,306,368	1,965,318	37,341,050	-	

The above securities have a maturity of less than one year. Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT has no investments measured at the Net Asset Value (NAV) per Share. The fair value of the commercial paper at August 31, 2021 was determined primarily based on level 2 inputs. The District estimates the fair value of these investments using other inputs such as interest rates and yield curves that are observable at commonly quoted intervals. This is acquired through the investment pool mix.

B. PROPERTY TAXES

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 31 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the school fiscal year.

C. DELINQUENT TAXES RECEIVABLE

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible tax receivables within the General and Debt Service Funds are based on historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

D. DISAGGREGATION OF RECEIVABLES AND PAYABLES

Receivables at August 31, 2021, were as follows:

	Property Taxes	Other Governments	Due From Other Funds	Other	Total Receivables
Governmental Activities:					
General Fund	1,032,793	1,772,456	-	-	2,805,249
Nonmajor Governmental Funds	168,129	696,684	-	-	864,813
Total-Governmental Activities	<u>1,200,922</u>	<u>2,469,140</u>	<u>-</u>	<u>-</u>	<u>3,670,062</u>
Amount not scheduled for collection during the subsequent year	<u>720,554</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>720,554</u>

Payables at August 31, 2021, were as follows:

	Accounts	Loans, Leases, and Bonds Payable- Current	Salaries & Benefits	Due to Other Funds	Due to Other Governments	Other	Total Payables
Governmental Activities:							
General Fund	1,012,908	-	2,614,151	-	331,911	-	3,958,970
Major Capital Projects	1,705,486	-	-	-	-	-	1,705,486
Nonmajor Governmental Funds	257,153	-	-	-	30,193	-	287,346
Internal Service Fund	2,251	-	160,466	-	-	-	162,717
Total-Governmental Activities	<u>2,977,798</u>	<u>-</u>	<u>2,774,617</u>	<u>-</u>	<u>362,104</u>	<u>-</u>	<u>6,114,519</u>
Amount not scheduled for payment during the subsequent year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Business-type Activities:							
Nonmajor Enterprise Funds	73	-	-	-	-	-	73
Total Business-Type Activities	<u>73</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>73</u>
Amounts not scheduled for payment during the subsequent year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

E. CAPITAL ASSET ACTIVITY

Capital asset activity for the District for the year ended August 31, 2021, was as follows:

	Primary Government				<u>Ending Balance</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Adjustments</u>	
Governmental Activities:					
District:					
Land	1,877,685	-	-	-	1,877,685
Buildings and Improvements	108,587,931	1,886,554	-	-	110,474,485
Furniture and Equipment	15,589,289	2,224,742	(281,472)	-	17,532,559
Construction in progress	6,655,337	29,863,693	(1,783,566)	-	34,735,464
	<u>132,710,242</u>	<u>33,974,989</u>	<u>(2,065,038)</u>	<u>-</u>	<u>164,620,193</u>
Totals at Historic Cost					
Less Accumulated Depreciation					
for:					
Buildings and Improvements	(59,667,315)	(3,637,060)	-	-	(63,304,375)
Furniture and Equipment	(11,686,192)	(827,089)	281,472	-	(12,231,809)
	<u>(71,353,507)</u>	<u>(4,464,149)</u>	<u>281,472</u>	<u>-</u>	<u>(75,536,184)</u>
Total Accumulated Depreciation					
Governmental Activities Capital					
Assets, Net	<u>61,356,735</u>	<u>29,510,840</u>	<u>(1,783,566)</u>	<u>-</u>	<u>89,084,009</u>
Business-type Activities:					
Furniture and Equipment	62,422	-	-	-	62,422
Less Accumulated Depreciation					
Furniture and Equipment	(42,269)	(3,839)	-	-	(46,108)
Business-type Activities Capital Assets, Net:	<u>20,153</u>	<u>(3,839)</u>	<u>-</u>	<u>-</u>	<u>16,314</u>

Instruction	3,821,304
Student (Pupil) Transportation	292,597
Food Services	43,184
Curricular/Extracurricular Activities	23,169
General Administration	5,771
Plant Maintenance and Operations	118,157
Security and Monitoring Service	30,340
Data Processing Services	129,627
Total Depreciation Expense	<u>4,464,149</u>

Depreciation expense was charged to the business-type activities functions as follows:

Co-curricular/ Extracurricular Activities 3,839

F. BONDS PAYABLE

Bonded indebtedness of the District is reflected in the Government wide statements. Current requirements for principal and interest expenditures are accounted for in the Debt Service Fund. Effective interest rates on the bonds range from 2.00% to 5.625%.

Proceeds from the issuance of refunding bonds, The Mount Pleasant Independent School District Unlimited Tax Refunding Bonds, Series 2011 dated November 1, 2011 were received during December, 2011 pursuant to Texas Government Code, Chapter 1207. Proceeds from the \$8,425,000 bonds were used to advance refund a portion of the District's outstanding bonds for debt service savings and to pay the costs of issuing the Bonds. Interest will range from 2.00% to 3.500%. Interest and principal are being repaid annually beginning in fiscal year 2013 and will continue until maturity in fiscal 2031. The refunding was undertaken to reduce total debt service payments over 20 years by approximately \$1.390 million and to obtain an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of approximately \$133 thousand. The principal balance of the refunded debt is \$5,420,000. This 2011 series was refunded with the issuance of the 2021 refunding bonds as described below.

Proceeds from the issuance of refunding bonds, The Mount Pleasant Independent School District Unlimited Tax Refunding Bonds, Series 2017 dated May 1, 2017 were received during May, 2017 pursuant to Texas Government Code, Chapter 1207. Proceeds from the \$9,125,000 bonds were used to advance refund a portion of the District's outstanding bonds for debt service savings and to pay the costs of issuing the Bonds. Interest will range from 2.00% to 4.00%. Interest and principal are being repaid annually beginning in fiscal year 2017 and will continue until maturity in fiscal 2031. The refunding was undertaken to reduce total debt service payments over 15 years by approximately \$1.125 million and to obtain an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of approximately \$179 thousand. The principal balance of the refunded debt is \$5,960,000.

The Mount Pleasant Independent School District Unlimited Tax School Building Bonds, Series 2019 were issued on June 15, 2019 pursuant to Section 45, Texas Education Code, as amended. Proceeds from the sale of the bonds of \$55 million are being used to construct, renovate, and equip school buildings, and to pay the costs of issuing the bonds. Interest ranges from 4.00% to 5.00%. Interest and principal are being repaid annually beginning in fiscal year 2019 and will continue until maturity in 2039.

Proceeds from the issuance of refunding bonds, The Mount Pleasant Independent School District Unlimited Tax Refunding Bonds, Series 2020 dated August 13, 2020 were received during August, 2020 pursuant to Texas Government Code, Chapter 1207. Proceeds from the \$12,070,000 bonds were used to advance refund a portion of the District's outstanding bonds for debt service savings and to pay the costs of issuing the Bonds. Interest will range from 2.00% to 3.00%. Interest and principal are being repaid annually beginning in fiscal year 2020 and will continue until maturity in fiscal 2031. The refunding was undertaken to reduce total debt service payments over 12 years by approximately \$2.4 million and to obtain an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of approximately \$148 thousand. The principal balance of the refunded debt is \$12,945,000.

Proceeds from the issuance of refunding bonds, The Mount Pleasant Independent School District Unlimited Tax Refunding Bonds, Series 2021 dated May 15, 2021 were received during June, 2021 pursuant to Texas Government Code, Chapter 1207. Proceeds from the \$5,205,000 bonds were used to advance refund a portion of the District's outstanding bonds for debt service savings and to pay the costs of issuing the Bonds. Interest will range from 1.625% to 5.00%. Interest and principal are being repaid annually beginning in fiscal year 2021 and will continue until maturity in fiscal 2031. The refunding was undertaken to reduce total debt service payments over 11 years by approximately \$621 thousand and to obtain an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of approximately \$577 thousand. The principal balance of the refunded debt is \$5,775,000.

F. BONDS PAYABLE cont'd

A summary of changes in general long-term debt for the year ended August 31, 2021 is as follows:

Description	Interest Rate Payable	Amounts Original Issue	Interest Current Year	Amounts Outstanding 9/1/2020	Issued/ Interest Accreted Current Year	Adjustments	Refunded/ Retired Current Year	Amounts Outstanding 8/31/2021
Unlimited Tax Refunding								
Bonds Series 2011	Variable	8,425,000	209,175	6,245,000	-	-	(6,245,000)	-
Unlimited Tax Refunding								
Bonds Series 2017	Variable	9,125,000	228,662	6,825,000	-	-	(1,400,000)	5,425,000
Unlimited Tax School Building, Series 2019	Variable	48,420,000	2,034,100	47,825,000	-	-	(560,000)	47,265,000
Unlimited Tax Refunding								
Bonds, Series 2020	Variable	12,040,000	324,800	11,785,000	-	-	-	11,785,000
Unlimited Tax Refunding								
Bonds, Series 2021	Variable	5,205,000	32,802	-	5,205,000	-	(65,000)	5,140,000
Unamortized Premium/Discount		10,130,822	-	9,223,861	827,737	-	(896,456)	9,155,142
TOTAL			2,829,539	81,903,861	6,032,737	-	(9,166,456)	78,770,142

Debt service requirements are as follows:

Year Ended	General Obligations		
	Principal	Interest	Total Requirements
<u>August 31</u>			
2022	2,635,000	2,671,163	5,306,163
2023	2,715,000	2,568,813	5,283,813
2024	2,790,000	2,478,213	5,268,213
2025	2,945,000	2,393,976	5,338,976
2026	3,040,000	2,301,466	5,341,466
2027-2031	17,030,000	9,673,199	26,703,199
2032-2036	22,570,000	5,529,325	28,099,325
2037-2041	15,890,000	970,400	16,860,400
	<u>69,615,000</u>	<u>28,586,555</u>	<u>98,201,555</u>

G. LOANS PAYABLE

On November 13, 2012 the District authorized the issuance and sale of its Qualified Zone Academy Maintenance Tax Notes, Taxable Series 2012, pursuant to Chapter 45.108, Texas Education Code, as amended, in the amount of \$9,000,000 for the purpose of renovating existing facilities and the purchase of equipment for the District. The effective interest rate net of the Government subsidy payments is -0.1018%. Principal and interest payments are accounted for in the general fund. The principal amount of \$9,000,000 is payable on February 15, 2028. Annual payments of \$514,595 are made to a separate interest bearing interest and sinking fund starting on February 15, 2015 and ending on February 15, 2028.

The Mount Pleasant Independent School District Maintenance Tax Notes, Series 2014 were issued on December 15, 2014 pursuant to Section 45.108, Texas Education Code, as amended. Proceeds from the sale of the bonds were used to purchase school buses, trucks, and police vehicles, and to pay the costs of issuing the notes. Interest ranges from 2.00% to 3.50%. Interest and principal are being repaid annually beginning in fiscal year 2015 and will continue until maturity in fiscal 2029.

The Mount Pleasant Independent School District Maintenance Tax Notes, Series 2016 were issued on October 15, 2016 pursuant to Section 45.108, Texas Education Code, as amended. Proceeds from the sale of the bonds were used to construct, renovate, and equip school buildings, and to pay the costs of issuing the notes. Interest ranges from 3.00% to 5.00%. Interest and principal are being repaid annually beginning in fiscal year 2017 and will continue until maturity in fiscal 2036.

	Amounts Outstanding 9/1/2020	Issued	Retired	Outstanding 8/31/2021
Qualified Zone Academy Maintenance Tax Notes, Series 2012	9,000,000	-	-	9,000,000
Maintenance Tax Notes, Series 2014	1,155,000	-	(110,000)	1,045,000
Maintenance Tax Notes, Series 2016	10,340,000	-	(210,000)	10,130,000
Unamortized Premium/Discount	290,346	-	(26,435)	263,911
Total	20,785,346	-	(346,435)	20,438,911

Interest of \$413,435 thousand was incurred for the year ended August 31, 2021, on loans payable.

Year Ending August 31,	Principal	Interest	Total Requirements
2022	330,000	402,835	732,835
2023	345,000	390,785	735,785
2024	360,000	375,935	735,935
2025	365,000	359,810	724,810
2026	375,000	343,435	718,435
2027-2031	12,745,000	1,422,750	14,167,750
2032-2036	5,655,000	543,488	6,198,488
2037-2041	-	-	-
Total	20,175,000	3,839,038	24,014,038

H. CHANGES IN LONG-TERM LIABILITIES

Long-term activity for the year ended August 31, 2021 was as follows:

	Beginning Balance	Additions	Reductions	Adjustments	Ending Balance	Due Within One Year
Governmental Activities:						
Bonds and Notes Payable:						
General Obligation Bonds	81,903,861	-	(3,133,719)	-	78,770,142	2,635,000
Notes payable	20,785,346	-	(346,435)	-	20,438,911	330,000
Capital leases	-	-	-	-	-	-
Total Bonds and Notes Payable	<u>102,689,207</u>	<u>-</u>	<u>(3,480,154)</u>	<u>-</u>	<u>99,209,053</u>	<u>2,965,000</u>

The District has no unused lines of credit. No assets have been pledged as collateral for debt.

I. INSURANCE

During the year ended August 31, 2021 employees of the District were covered by the District’s medical insurance Plan (the “Plan”) with TRS ActiveCare. The District contributed \$250 per month per employee to the Plan and employees, at their option, authorized payroll withholdings to pay contributions for dependents or increased coverage.

Maintenance of Effort:

Contributions for health care for the year ended August 31, 2021 were as follows:

Total contributions for health care:	1,242,930			
Less alternate plan contributions	-			
Less COBRA	-			
2020-2021 maintenance of effort	<u>1,242,930</u>			

During the year ended August 31, 2021 employees of the District were covered by the District’s workers’ compensation self-insurance plan as authorized by Section 504.011 of the Labor Code. Claims are paid by a third party administrator acting on behalf of the District under the terms of a contractual agreement. Administrative fees are included within the provisions of that agreement. According to state statute, the District is protected against unanticipated catastrophic claims and aggregate loss by coverage carried through Blue Cross Blue Shield, a commercial insurer licensed or eligible to do business in Texas. Coverage was unlimited.

The costs associated with these self-insurance plans are reported as inter-fund transactions to the extent of amount actually determined. Accordingly, they are treated as operating revenues of the Internal Service Funds and operating expenditures of the General and Special Revenue Funds. The liabilities of these plans include incurred but not reported claims.

Changes in the balances of the claim liabilities during the past year for the workers’ compensation plan are as follows:

	Year Ended August 31, 2021	Year Ended August 31, 2020
Unpaid claims, beginning of the year	154,941	270,670
Incurred claims (including IBNR'S)	25,571	(64,630)
Claim Payments	<u>(20,046)</u>	<u>(51,099)</u>
Unpaid claims, end of fiscal year	<u>160,466</u>	<u>154,941</u>

J. DEFINED BENEFIT PENSION PLAN

Plan Description. MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). It is a defined benefit pension plan established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

Pension Plan Fiduciary Net Position. Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.texas.gov>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

Benefits Provided. TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension benefits are established or amended under the authority of the Texas Constitution, Article XVI, Section 67 and by the Legislature in the Texas Government Code, Title 8, Subtitle C. The Board of Trustees does not have the authority to establish or amend benefits. State law requires the plan to be actuarially sound in order for the Legislature to consider a benefit enhancement, such as supplemental payment to the retirees. In May 2019, the 86th Texas Legislature approved the TRS Pension Reform Bill (SB12) that provides for gradual contribution increases from the state, participating employers and active employees to make the pension fund actuarially sound. These increases immediately made the pension fund actuarially sound and the legislature approved funding for a 13th check. All eligible members retired as of December 31, 2018 received an extra annuity check in September 2019 in either the matching amount of their monthly annuity payment or \$2,000, whichever was less.

Contributions. Contribution requirements are established or amended pursuant to Article 16, Section 67 of the Texas Constitution which requires the Texas Legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements if it increases the period of TRS' unfunded actuarial liability to greater than 31 years or, if the amortization period already exceed 31 years, the period would be increased by such action. Actuarial implications of the funding provided in this manner are determined by the System's actuary.

Employee contribution rates are set in state statute, Texas Government Code 825.402. SB12 in the 86th Legislature set contribution rates for fiscal year 2020 and fiscal year 2021. Beginning September 1, 2019, all employers are required to pay the Public Education Employer contribution of 1.5%. Contribution Rates can be found in the TRS 2020 CAFR, Note 11, on page 82.

	<u>Contribution Rates</u>	
	<u>2020</u>	<u>2021</u>
Member	7.7%	7.7%
Non-Employer Contributing Entity	7.5%	7.5%
TRS		
Employers	7.5%	7.5%
District's 2021 Employer Contributions		\$ 1,553,241
District's 2021 Member Contributions		\$ 2,760,508
District's 2021 NECE On-Behalf Contributions		\$ 1,951,646

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

As the non-employer contributing entity for public education, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Employers including public schools are required to pay the employer contribution rate the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment
- When any part or all of an employee's salary is paid by federal funding source or a privately sponsored source.

In addition to the employer contributions listed above, there are two additional surcharges an employer is subject to.

- . Employers must contribute 1.5% of the member's salary ("Public Education Employer Surcharge").
- . When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

Actuarial Assumptions.

Roll Forward - The actuarial valuation was performed as of August 31, 2019. Update procedures were used to roll forward the total pension liability to August 31, 2020.

The total pension liability is determined by an annual actuarial valuation. The actuarial methods and assumptions were selected by the Board of Trustees based upon analysis and recommendations by the System's actuary. The Board of Trustees has sole authority to determine the actuarial assumptions used for the Plan. The actuarial methods and assumptions were primarily based on a study of actual experience for the three-year period ending August 31, 2017 and were adopted in July 2018.

The active mortality rates were based on 90 percent of the RP 2014 Employee Mortality Tables for males and females. The post-retirement mortality rates were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables with full generational projection using the ultimate improvement rates from the most recently published projection scale U-MP.

The following table discloses the assumptions that were applied to this measurement period.

Valuation Date	August 31, 2019 rolled forward to August 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	7.25%
Long-term expected Rate	7.25%
Municipal Bond Rate as of August, 2020	2.33% - Source for the rate is the Fixed Income
20 years to maturity that include only	Market Data/Yield Curve/Data Municipal Bonds with
Fidelity index's "20-Year Municipal GO AA	federally tax-exempt municipal bonds as reported in
Last year ending August 31 in	Index."
Projection Period (100 years)	2119
Inflation	2.30%
Salary Increases	3.05% to 9.05% including inflation
Ad hoc Post Employment Benefit Changes	None

The actuarial methods and assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2019. For a full description of these assumptions please see the TRS actuarial valuation report dated November 14, 2019.

Discount Rate. The single discount rate used to measure the total pension liability was 7.25%. The single discount rate was based on the expected rate of return on pension plan investments of 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the statutorily required rates set by the Legislature during the 2019 legislative session. It is assumed that future employer and state contributions will be 8.50 percent of payroll in fiscal year 2020 gradually increasing to 9.66 percent of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payment of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2020 are presented in the Asset Allocations the following table from the TRS Comprehensive Annual Financial Report for 2020, page 53.

Asset Class	Target Allocation ¹ %	Long-Term Expected Geometric Real Rate of Return ²	Expected Contribution to Long- Term Portfolio Returns
Global Equity			
USA	18.0 %	3.9 %	0.99 %
Non-U.S. Developed	13.0	5.1	0.92
Emerging Markets	9.0	5.6	0.83
Private Equity	14.0	6.7	1.41
Stable Value			
Government Bonds	16.0 %	(0.7)%	(0.05)%
Absolute Return (Including Credit Sensitive Investments)	—	1.8	—
Stable Value Hedge Funds	5.0	1.9	0.11
Real Return			
Real Estate	15.0 %	4.6 %	1.02 %
Energy, Natural Resources, and Infrastructure	6.0	6.0	0.42
Commodities	—	0.8	—
Risk Parity			
Risk Parity	8.0 %	3.0 %	0.30 %
Asset Allocation Leverage			
Cash	2.0 %	(1.5)%	(0.03)%
Asset Allocation Leverage	(6.0)	(1.3)	0.08
Inflation Expectation			2.00 %
Volatility Drag ³			(0.67)%
Expected Return	100.0 %		7.33 %
¹ Target allocations are based on the FY2020 policy model.			
² Capital Market Assumptions come from Aon Hewitt (as of 08/31/2020).			
³ The volatility drag results from the conversion between arithmetic and geometric mean returns.			

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.25%) in measuring the Net Pension Liability. The discount rate can be found in the 2020 TRS CAFR, Note 11, page 84.

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
District's proportionate share of the net pension liability:	\$24,407,610	\$15,828,726	\$8,858,565

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At August 31, 2021, MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT reported a liability of \$15,828,726 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT. The amount recognized by MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT were as follows:

District's proportionate share of the collective net pension liability	\$ 15,828,726
State's proportionate share that is associated with the District	<u>25,328,217</u>
Total	<u>\$ 41,156,943</u>

The net pension liability was measured as of August 31, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2019 rolled forward to August 31, 2020. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2019 through August 31, 2020.

At August 31, 2020 the employer's proportion of the collective net pension liability was 0.000295544% which was a decrease of 5.7% from its proportion measured as of August 31, 2019.

Changes Since the Prior Actuarial Valuation – There were no changes in assumptions since the prior measurement date.

In May 2019, the 86th Texas legislature approved the TRS Pension Reform Bill (SB12) that provides for gradual contribution increases from the state, participating employers and active employees to make the pension fund actuarially sound. The increases immediately made the pension fund actuarially sound and the legislature approved funding for a 13th check.

All eligible members retired as of December 31, 2018 received an extra annuity check in September 2019 in either the matching amount of their monthly annuity payment or \$2,000, whichever was less.

For the year ended August 31, 2021, MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT recognized pension expense of \$1,553,241 and revenue of \$1,951,646 for support provided by the State in the Government Wide Statement of Activities.

At August 31, 2021, MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experience	\$28,902	\$441,738
Changes in actuarial assumptions	3,672,828	1,561,661
Net Difference between projected and actual investment earnings	320,439	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	746,425	800,498
Contributions paid to TRS subsequent to the measurement date [to be calculated by employer]	1,553,241	-
Total	\$6,321,835	\$2,803,897

Year ended August 31:	Pension Expense Amount
2022	\$ 620,854
2023	744,404
2024	723,157
2025	173,060
2026	(256,316)
Thereafter	(40,461)

K. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS

Plan Description. The MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. The plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. It is established and administered in accordance with the Texas Insurance Code, Chapter 1575.

OPEB Plan Fiduciary Net Position. Detail information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.texas.gov>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

Components of the net OPEB liability of the TRS-Care plan as of August 31, 2020 are as follows:

<u>Net OPEB Liability</u>	<u>Total</u>
Total OPEB Liability	\$ 40,010,833,815
Less: plan fiduciary net position	<u>(1,996,317,932)</u>
Net OPEB liability	<u>\$ 38,014,515,883</u>
Net position as a percentage of total OPEB liability	4.99%

Benefits Provided. TRS-Care provides health insurance coverage to retirees from public schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension system. Eligible non-Medicare retirees and their dependents may pay premiums to participate in the high-deductible health plans. Eligible Non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system.

The General Appropriations Act passed by the 86th Legislature included funding to maintain TRS Care premiums at their current level through 2021. The 86th legislature also passed SB 1682 which requires TRS to establish a contingency reserve in the TRS-Care fund equal to 60 days of expenditures. This amount is estimated at \$277,490,586 as of August 31, 2020.

The premium rates for retirees are presented in the following table:

TRS-Care Monthly Premium Rates

	<u>Medicare</u>	<u>Non-Medicare</u>
Retiree or Surviving Spouse	\$ 135	\$ 200
Retiree and Spouse	529	689
Retiree or Surviving Spouse and Children	468	408
Retiree and Family	1,020	999

Contributions. Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and participating employers based on active employee compensation. The TRS Board of Trustees does not have the authority to set or amend contribution rates.

Texas Insurance Code, Section 1575.202 establishes the state's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is .65% of salary. Section 1575.204 establishes a public school contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the employer. The actual public school contribution rate is prescribed by the Legislature in the General Appropriations Act which is 0.75% of each active employee's pay for fiscal year 2020. The following table shows contributions to the TRS-Care plan by type of contributor.

	<u>Contribution Rates</u>	
	<u>2020</u>	<u>2021</u>
Active Employee	0.65%	0.65
		%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private Funding Remitted by Employers	1.25%	1.25%
District's 2021 FY Employer Contributions		\$ 268,901
District's 2021 FY Member Contributions		\$ 233,048
Measurement Year NECE On-Behalf Contributions		\$ 472,753

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to (regardless of whether or not they participate in the TRS Care OPEB program). When employers hire a TRS retiree, they are required to pay to TRS-Care, a monthly surcharge of \$535 per retiree.

A supplemental appropriation was authorized by Senate Bill 1264 of the 86th Texas Legislature to provide \$2,208,147 for FY 2020 and \$3,312,206 for fiscal year 2021, for consumer protections against medical and health care billing by certain out-of-network providers. Funding will be in fiscal years 2021.

Actuarial Assumptions. The total OPEB liability in the August 31, 2008 actuarial valuation was rolled forward to August 31, 2020. The actuarial valuation was determined using the following actuarial assumptions:

The following assumptions and other inputs used for members of TRS-Care are identical to the assumptions used in the August 31, 2020 TRS pension actuarial valuation:

Rates of Mortality	General Inflation
Rates of Retirement	Wage Inflation
Rates of Termination	Salary Increases
Rates of Disability	

The active mortality rates were based on 90 percent of the RP-2014 Employee Mortality tables for males and females, with full generational mortality using Scale BB. The post-retirement mortality rates for healthy lives were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables, with full generational projection using the ultimate improvement rates from the most recently published scale (U-MP).

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2019 Rolled forward to August 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	2.33% as of August 31, 2020
Aging Factors	Based on Plan Specific Experience
Election Rates	Normal Retirement: 65% participation prior to age 65 and 40% participation after age 65. 25% pre-65 retirees are assumed to discontinue coverage at age 65.
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Projected Salary Increases	3.05% - 9.05%, including inflation

Ad-hoc Post Employment Benefit Changes None

The initial medical trend rates were 9.00 percent for Medicare retirees and 7.30 percent for non-medicare retirees and 7.30 percent for non-medicare retirees. There was an initial prescription drug trend rate of 9.00 percent for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25 percent over a period of 13 years.

Discount Rate. A single discount rate of 2.33% was used to measure the total OPEB liability. There was a decrease of .30 percent in the discount rate since the previous year. The Discount Rate can be found in the 2020 TRS CAFR on page 76. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate.

Sensitivity of the Net OPEB Liability:

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (2.33%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (1.33%)	Current Single Discount Rate (2.33%)	1% Increase in Discount Rate (3.33%)
District's proportionate share of the Net OPEB Liability:	\$ 21,115,164	\$ 17,596,002	\$ 14,816,344

Healthcare Cost Trend Rates Sensitivity Analysis - The following presents the net OPEB liability of the plan using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is one-percentage point lower or one-percentage point higher than the assumed healthcare cost trend rate.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of the Net OPEB Liability:	\$ 14,373,677	\$ 17,596,002	\$ 21,887,658

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs. At August 31, 2021, MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT reported a liability of \$17,596,002 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT were as follows:

District's Proportionate share of the collective net OPEB liability	\$ 17,596,002
State's proportionate share that is associated with the District	<u>23,644,809</u>
Total	<u>\$41,240,811</u>

The Net OPEB Liability was measured as of August 31, 2020 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The employer's proportion of the Net OPEB Liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2019 thru August 31, 2020.

At August 31, 2020 the employer's proportion of the collective Net OPEB Liability was 0.00463% compared to the 0.000464% as of August 31, 2019. This is a decrease of .02%.

Changes in Actuarial Assumptions Since the Prior Actuarial Valuation – The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability since the prior measurement period:

- . The discount rate changed from 2.63% as of August 31, 2019 to 2.33% as of August 31, 2020. This change increased the Total OPEB liability (TOL).
- . The participation rate for post-65 retirees was lowered from 50 percent to 40 percent. This change lowered the Total OPEB Liability.
- . The ultimate health care trend assumption was lowered from 4.50 percent to 4.25 percent as a result of Congress' repeal of the excise (Cadillac) tax on high-cost employer health plans in December 2019. This change lowered the Total OPEB liability.

Changes in Benefit Terms: There were no changes in benefit terms since the prior measurement date.

For the year ended August 31, 2021, MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT recognized OPEB expense of \$268,901 and revenue of \$412,753 for support provided by the State.

At August 31, 2021, MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experience	\$921,320	\$8,052,830
Changes in actuarial assumptions	1,085,307	4,831,953
Net Difference between projected and actual investment earnings	5,718	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1,040,828	71,586
Contributions paid to TRS subsequent to the measurement date [to be calculated by employer]	268,901	
Total	\$3,322,074	\$12,956,369

The net amounts of the employer's balances of deferred outflows and inflows (not including the deferred contribution paid subsequent to the measurement date) of resources related to OPEBs will be recognized by the district in OPEB expense as follows:

Year ended August 31:	OPEB Expense Amount
2022	\$ (1,660,273)
2023	(1,661,038)
2024	(1,661,475)
2025	(1,661,355)
2026	(1,191,361)
Thereafter	(2,067,694)

L. HEALTH CARE COVERAGE - RETIREES AND ACTIVE EMPLOYEES

Retiree Health Care Coverage

Plan Description. MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple-employer defined benefit post-employment health care plan administered by the Teacher Retirement System of Texas. TRS-Care provides health care coverage for certain persons (and their dependents) who retire under the Teacher Retirement System of Texas. The statutory authority for the program is Texas Insurance Code, Chapter 1575. Texas Insurance Code Section 1575.052 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. That report may be obtained by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701, by phoning the TRS Communications Department at 1-800-223-8778, or by downloading the report from the TRS Internet Website, www.trs.state.tx.us under the TRS Publications heading.

Funding Policy. Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. The Contribution Rate for the State was 1.25% for 2019 2020 and 2021. The contribution rate for the district was 0.55% for each of these three years. The contribution rate for active employees was 0.65% of the district payroll for each of the three years. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. For staff members funded by federal problems, the federal programs are required to contribution 1.0 %.

Medicare Part D. The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal year ended August 31, 2021, 2020, and 2019 the subsidy payments received by TRS-Care on-behalf of the District were \$60,763, \$63,564 and \$63,722 respectively. The information for the year ended August 31, 2020 is an estimate provided by the Teacher Retirement System. These payments are recorded as equal revenues and expenditures in the governmental funds financial statements of the District.

Active Employee Health Care Coverage

Plan Description. The District participates in TRS Active Care sponsored by the Teacher Retirement System of Texas and administered through Aetna and Caremark (pharmacy). TRS-Active Care provides health care coverage to employees (and their dependents) of participating public education entities. Optional life and long-term care insurance are also provided to active members and retirees. Authority for the plan can be found in the Texas Insurance Code, Title 8, Subtitle H, Chapter 1579 and in the Texas Administrative Code, Title 34, Part 3, Chapter 41. The plan began operations on September 1, 2002. This is a premium-based plan. Payments are made on a monthly basis for all covered employees.

M. UNEARNED REVENUE

Unearned revenue at year end consisted of the following:

	General Fund	Special Revenue Funds	Debt Service Fund	Total
Food Service Receipts	-	5,376	-	5,376
State Instructional Materials	-	42,091	-	42,091
Pre K Expansion	-	39,490	-	39,490
Early Head Start	-	35,758	-	35,758
SSA Special Education	-	114,946	-	114,946
Others	-	15,816	-	15,816
TOTAL	-	253,477	-	253,477

N. DUE FROM OTHER GOVERNMENTS

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Amounts due from federal and state governments as of August 31, 2021 are summarized below. All federal grants shown below are passed through the TEA and are reported on the combined financial statements as Due from State Agencies except Head Start which is received directly from the U.S. Department of Health and Human Services.

FUND	STATE ENTITLEMENTS	FEDERAL GRANTS	OTHER	TOTAL
General	1,555,635	52,571	164,250	1,772,456
Special Revenue	641,115	-	55,569	696,684
Debt Service	-	-	-	-
Total	2,196,750	52,571	219,819	2,469,140

O. REVENUE FROM LOCAL AND INTERMEDIATE SOURCES

During the current year, revenues from local and intermediate sources consisted of the following:

	General Fund	Special Revenue Funds	Debt Service Fund	Capital Project Fund	Total
Property Taxes	14,382,911	-	4,830,909	-	19,213,820
Penalties, Interest and Other Tax-related Income	239,518	-	58,095	-	297,613
Investment Income	250,722	4,420	15,518	56,871	327,531
Food Sales	-	79,112	-	-	79,112
Tuition and Fees	88,750	39,140	-	-	127,890
Other	116,458	-	-	-	116,458
Co-curricular Student Activities	92,153	-	-	-	92,153
Shared Service	-	2,180,915	-	-	2,180,915
Rents	15,609	-	-	-	15,609
Insurance Recovery	6,396	-	-	-	6,396
Foundations and gifts	-	99,901	-	-	99,901
Total	15,192,517	2,403,488	4,904,522	56,871	22,557,398

P. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal 2021, the district purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

Q. JOINT VENTURE-SHARED SERVICE ARRANGEMENTS

The District is a fiscal agent for a shared Services Arrangement (“SSA”) which provides special education member districts. All services are provided by the fiscal agent. The member districts provide the funds to the fiscal agent. According to guidance provided in TEA’s Resource Guide, the District has accounted for the fiscal agent’s activities of the SSA in Special Revenue Fund No. 437, Shared Services Arrangements - Special Education and will be accounted for using Model 3 in the SSA section of the Resource Guide.

Total Revenues from all member districts were: \$2,180,915

R. DEFERRED INFLOWS OF RESOURCES

In the government wide statements and the governmental fund financial statements the amount of property taxes receivable expected to be collected in the future is reflected as a deferred inflow of resources and will be recognized as such each year as it is collected.

S. COMMITMENTS AND CONTINGENCIES

The District has no significant commitments or contingencies at August 31, 2021.

T. LITIGATION

The District has no pending litigation at August 31, 2021.

U. SUBSEQUENT EVENTS

Administration has evaluated subsequent events through October 15, 2021 the financial statement issuance date.

V. PRIOR PERIOD ADJUSTMENT

In June 2015, the MPISD Board of Trustees repealed the 20% local optional homestead exemption. The exemption was repealed for tax years 2015-2018. The MPISD Board of Trustees reinstated the 20% exemption in June of 2019 to be effective for tax years 2019 and beyond. In June 2020, the Board voted to repay amounts that would have been exempted in the 2016-2018 tax years. The Titus County Appraisal District provided the District with refund calculations for the 2016-2018 tax years and letters were mailed in August 2020 notifying property owners of their refund options. Refund checks were processed upon receipt of owner’s letters. All refunds have been paid out. Additional amounts were paid this year, these are reflected as prior period adjustments of \$78 thousand in the general fund and \$15 thousand in the debt service fund. This total of \$93 thousand is also reflected in the government wide financial statements.

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2021

	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018
District's Proportion of the Net Pension Liability (Asset)	0.000295544%	0.000313449%	0.000303622%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 15,828,726	\$ 16,294,085	\$ 16,712,097
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	25,320,217	23,095,454	24,776,808
Total	<u>\$ 41,148,943</u>	<u>\$ 39,389,539</u>	<u>\$ 41,488,905</u>
District's Covered Payroll	\$ 35,853,518	\$ 35,578,953	\$ 32,929,070
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	38.46%	45.80%	50.75%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.54%	75.24%	73.74%

Note: GASB Codification, Vol. 2, P20.183 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of August 31, 2019 for year 2020, August 31, 2018 for year 2019, August 31, 2017 for year 2018, August 31, 2016 for year 2017, August 31, 2015 for year 2016 and August 31, 2014 for year 2015.

This schedule shows only the years for which this information is available. Additional information will be added until 10 years of data are available and reported.

<u>FY 2018</u> <u>Plan Year 2017</u>	<u>FY 2017</u> <u>Plan Year 2016</u>	<u>FY 2016</u> <u>Plan Year 2015</u>	<u>FY 2015</u> <u>Plan Year 2014</u>
0.000384677%	0.000300686%	0.000320522%	0.000211134%
\$ 10,157,298	\$ 11,362,494	\$ 11,330,026	\$ 5,639,681
15,702,728	18,413,613	18,259,843	15,718,531
<u>\$ 25,860,026</u>	<u>\$ 29,776,107</u>	<u>\$ 29,589,869</u>	<u>\$ 21,358,212</u>
\$ 32,206,028	\$ 31,500,449	\$ 30,371,987	\$ 30,308,586
31.60%	36.07%	37.30%	26.41%
82.17%	78.00%	78.43%	83.25%

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR FISCAL YEAR 2021

	2021	2020	2019
Contractually Required Contribution	\$ 1,553,241	\$ 1,519,513	\$ 1,381,450
Contribution in Relation to the Contractually Required Contribution	(1,553,241)	(1,519,513)	(1,381,450)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 35,853,518	\$ 35,578,953	\$ 32,929,070
Contributions as a Percentage of Covered Payroll	4.33%	4.27%	4.20%

Note: GASB Codification, Vol. 2, P20.183 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

This schedule shows only the years for which this information is available. Additional information will be added until 10 years of data are available and reported.

	2018	2017	2016	2015
\$	1,332,176	\$ 1,225,680	\$ 1,173,069	\$ 1,167,656
	(1,332,176)	(1,225,680)	(1,173,069)	(1,167,656)
\$	-	\$ -	\$ -	\$ -
\$	32,479,255	\$ 31,500,449	\$ 30,371,987	\$ 30,308,586
	4.10%	3.90%	3.90%	3.90%

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2021

	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.000462876%	0.000464151%	0.000453682%	\$ 0.004407146%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 17,596,002	\$ 21,950,289	\$ 22,652,777	\$ 19,729,365
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	23,644,809	29,167,022	25,105,087	\$ 22,790,449
Total	<u>\$ 41,240,811</u>	<u>\$ 51,117,311</u>	<u>\$ 47,757,864</u>	<u>\$ 42,519,814</u>
District's Covered Payroll	\$ 35,853,518	\$ 35,578,953	\$ 32,929,070	\$ 32,206,028
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	49.08%	61.69%	68.81%	\$ 61.40%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	4.99%	2.66%	1.57%	\$ 0.91%

Note: GASB Codification, Vol. 2, P50.238 states that the information on this schedule should be determined as of the measurement date. Therefore the amounts reported for FY 2021 are for the measurement date of August 31, 2020. The amounts for FY 2020 are for the measurement date of August 31, 2019. The amounts for FY 2019 are for the measurement date August 31, 2018. The amounts for FY 2018 are based on the August 31, 2017 measurement date.

This schedule shows only the years for which this information is available. Additional information will be added until 10 years of data are available and reported.

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)
 TEACHER RETIREMENT SYSTEM OF TEXAS
 FOR FISCAL YEAR 2021

	2021	2020	2019	2018
Contractually Required Contribution	\$ 268,901	\$ 266,845	\$ 261,958	\$ 244,934
Contribution in Relation to the Contractually Required Contribution	(268,901)	(266,845)	(261,958)	(244,934)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 35,853,518	\$ 35,578,953	\$ 32,929,070	\$ 32,479,255
Contributions as a Percentage of Covered Payroll	0.75%	0.75%	0.75%	0.75%

Note: GASB Codification, Vol. 2, P50.238 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

Information in this schedule should be provided only for the years where data is available. Eventually 10 years of data should be presented.

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED AUGUST 31, 2021

A. Notes to Schedules for the TRS Pension

Changes of Benefit terms.

In May 2019, the 86th Texas legislature approved the TRS Pension Reform Bill (SB12) that provides for gradual contribution increases from the state, participating employers and active employees to make the pension fund actuarially sound. The increases immediately made the pension fund actuarially sound and the legislature approved funding for a 13th check.

All eligible members retired as of December 31, 2018 received an extra annuity check in September 2019 in either the matching amount of their monthly annuity payment or \$2,000, whichever was less.

Changes of Assumptions.

There were no changes in assumptions since the prior measurement date.

B. Notes to Schedules for the TRS OPEB Plan

Changes in Benefits.

There were no changes in benefit terms since the prior measurement date.

Changes in Assumptions.

The following assumptions, methods and plan changes which are specific to TRS-Care were updated from the prior year's report:

- The discount rate changed from 2.64 percent as of August 31, 2019 to 2.33 percent, as of August 31, 2020. This change increased the Total OPEB Liability.
- The participation rate for post-65 retirees was lowered from 50 percent to 40 percent. This change lowered the Total OPEB Liability.
- The ultimate health care trend assumption was lowered from 4.50 percent to 4.25 percent as a result of Congress' repeal of the excise (Cadillac) tax on high-cost employer health plans in December 2019. This change lowered the Total OPEB Liability.

COMBINING AND OTHER STATEMENTS

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2021

Data Control Codes	204 Title VI Part A	205 Head Start	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant
ASSETS				
1110 Cash and Cash Equivalents	\$ (4,040)	\$ (168,096)	\$ (136,574)	\$ (2,267)
1120 Investments - Current	-	-	-	-
1210 Property Taxes - Current	-	-	-	-
1230 Allowance for Uncollectible Taxes	-	-	-	-
1240 Due from Other Governments	4,040	59,304	140,653	2,267
1410 Prepayments	-	119,489	-	-
1000 Total Assets	<u>\$ -</u>	<u>\$ 10,697</u>	<u>\$ 4,079</u>	<u>\$ -</u>
LIABILITIES				
2110 Accounts Payable	\$ -	\$ 10,697	\$ 4,079	\$ -
2180 Due to Other Governments	-	-	-	-
2300 Unearned Revenue	-	-	-	-
2000 Total Liabilities	<u>-</u>	<u>10,697</u>	<u>4,079</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
2601 Unavailable Revenue - Property Taxes	-	-	-	-
2600 Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	-	-	-	-
3480 Retirement of Long-Term Debt	-	-	-	-
3490 Other Restricted Fund Balance	-	-	-	-
3000 Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ -</u>	<u>\$ 10,697</u>	<u>\$ 4,079</u>	<u>\$ -</u>

240 National Breakfast and Lunch Program	242 Summer Feeding Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	266 ESSER -School Emergency Relief	270 ESEA VI, Pt B Rural & Low Income	276 Title I - SIP Academy Grant
\$ 593,072	\$ 428	\$ -	\$ (17,131)	\$ (13,661)	\$ -	\$ (14,422)	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
177,529	-	-	48,872	28,435	-	14,422	-
-	-	-	-	-	-	-	-
<u>\$ 770,601</u>	<u>\$ 428</u>	<u>\$ -</u>	<u>\$ 31,741</u>	<u>\$ 14,774</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 87,992	\$ -	\$ -	\$ 31,741	\$ 14,774	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
4,948	428	-	-	-	-	-	-
<u>92,940</u>	<u>428</u>	<u>-</u>	<u>31,741</u>	<u>14,774</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
677,661	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>677,661</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 770,601</u>	<u>\$ 428</u>	<u>\$ -</u>	<u>\$ 31,741</u>	<u>\$ 14,774</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2021

Data Control Codes	277 Coronavirus Relief Fund CARES	282 ESSER III	284 Early Headstart	286 CARES Headstart	
ASSETS					
1110	Cash and Cash Equivalents	\$ -	\$ (7,916)	\$ (116,586)	\$ (107)
1120	Investments - Current	-	-	-	-
1210	Property Taxes - Current	-	-	-	-
1230	Allowance for Uncollectible Taxes	-	-	-	-
1240	Due from Other Governments	-	7,916	38,295	-
1410	Prepayments	-	-	80,465	107
1000	Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,174</u>	<u>\$ -</u>
LIABILITIES					
2110	Accounts Payable	\$ -	\$ -	\$ 2,174	\$ -
2180	Due to Other Governments	-	-	-	-
2300	Unearned Revenue	-	-	-	-
2000	Total Liabilities	<u>-</u>	<u>-</u>	<u>2,174</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
2601	Unavailable Revenue - Property Taxes	-	-	-	-
2600	Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	-	-
3480	Retirement of Long-Term Debt	-	-	-	-
3490	Other Restricted Fund Balance	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,174</u>	<u>\$ -</u>

287 HHS Provider Relief	288 CACFP CDC	289 Other Federal Special Revenue Funds	313 SSA IDEA, Part B Formula	314 SSA IDEA, Part B Preschool	397 Advanced Placement Incentives	410 State Instructional Materials	427 Pre-K
\$ 7,733	\$ 38,485	\$ -	\$ (109,911)	\$ (4,698)	\$ -	\$ 122,136	\$ 39,538
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	114,684	4,698	-	-	-
1,734	-	-	-	-	-	-	-
<u>\$ 9,467</u>	<u>\$ 38,485</u>	<u>\$ -</u>	<u>\$ 4,773</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 122,136</u>	<u>\$ 39,538</u>
\$ 9,467	\$ 2,727	\$ -	\$ 4,773	\$ -	\$ -	\$ 80,045	\$ 48
-	-	-	-	-	-	-	-
-	35,758	-	-	-	-	42,091	39,490
<u>9,467</u>	<u>38,485</u>	<u>-</u>	<u>4,773</u>	<u>-</u>	<u>-</u>	<u>122,136</u>	<u>39,538</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 9,467</u>	<u>\$ 38,485</u>	<u>\$ -</u>	<u>\$ 4,773</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 122,136</u>	<u>\$ 39,538</u>

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2021

Data Control Codes	428 Math Academies	429 Other State Special Revenue Funds	437 SSA Special Education	459 Other SSA Special Revenue Funds
ASSETS				
1110	\$ -	\$ -	\$ 59,412	\$ -
1120	-	-	-	-
1210	-	-	-	-
1230	-	-	-	-
1240	-	-	55,569	-
1410	-	-	-	-
1000	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 114,981</u>	<u>\$ -</u>
LIABILITIES				
2110	\$ -	\$ -	\$ 33	\$ -
2180	-	-	-	-
2300	-	-	114,948	-
2000	<u>-</u>	<u>-</u>	<u>114,981</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
2601	-	-	-	-
2600	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted Fund Balance:				
3450	-	-	-	-
3480	-	-	-	-
3490	-	-	-	-
3000	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 114,981</u>	<u>\$ -</u>

461 Campus Activity Funds	498 MP Education Foundation	499 Other Local Special Revenue Funds	Total Nonmajor Special Revenue Funds	599 Debt Service Fund	Total Nonmajor Governmental Funds
\$ 197,397	\$ 1,469	\$ 14,345	\$ 478,606	\$ 1,937,308	\$ 2,415,914
-	-	-	-	72,369	72,369
-	-	-	-	168,129	168,129
-	-	-	-	(100,877)	(100,877)
-	-	-	696,684	-	696,684
-	-	-	201,795	-	201,795
<u>\$ 197,397</u>	<u>\$ 1,469</u>	<u>\$ 14,345</u>	<u>\$ 1,377,085</u>	<u>\$ 2,076,929</u>	<u>\$ 3,454,014</u>
\$ 8,603	\$ -	\$ -	\$ 257,153	\$ -	\$ 257,153
-	-	-	-	30,193	30,193
-	1,469	14,345	253,477	-	253,477
<u>8,603</u>	<u>1,469</u>	<u>14,345</u>	<u>510,630</u>	<u>30,193</u>	<u>540,823</u>
-	-	-	-	67,252	67,252
-	-	-	-	67,252	67,252
-	-	-	677,661	-	677,661
-	-	-	-	1,979,484	1,979,484
188,794	-	-	188,794	-	188,794
<u>188,794</u>	<u>-</u>	<u>-</u>	<u>866,455</u>	<u>1,979,484</u>	<u>2,845,939</u>
<u>\$ 197,397</u>	<u>\$ 1,469</u>	<u>\$ 14,345</u>	<u>\$ 1,377,085</u>	<u>\$ 2,076,929</u>	<u>\$ 3,454,014</u>

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	204 Title VI Part A	205 Head Start	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	87,272	1,877,706	1,403,402	2,956
5020 Total Revenues	87,272	1,877,706	1,403,402	2,956
EXPENDITURES:				
Current:				
0011 Instruction	14,365	1,139,447	1,209,812	863
0012 Instructional Resources and Media Services	-	8,107	-	-
0013 Curriculum and Instructional Staff Development	50,747	-	98,884	-
0021 Instructional Leadership	-	132,851	-	2,093
0023 School Leadership	-	101,718	84,279	-
0031 Guidance, Counseling, and Evaluation Services	22,160	59,534	-	-
0033 Health Services	-	76,426	-	-
0034 Student (Pupil) Transportation	-	104,446	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0051 Facilities Maintenance and Operations	-	48,636	-	-
0052 Security and Monitoring Services	-	328	-	-
0053 Data Processing Services	-	29,780	-	-
0061 Community Services	-	176,433	10,427	-
Debt Service:				
0071 Principal on Long-Term Debt	-	-	-	-
0072 Interest on Long-Term Debt	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	-	-
6030 Total Expenditures	87,272	1,877,706	1,403,402	2,956
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES):				
7901 Refunding Bonds Issued	-	-	-	-
7912 Sale of Real and Personal Property	-	-	-	-
7916 Premium or Discount on Issuance of Bonds	-	-	-	-
8940 Payment to Bond Refunding Escrow Agent (Use)	-	-	-	-
7080 Total Other Financing Sources (Uses)	-	-	-	-
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - September 1 (Beginning)	-	-	-	-
1300 Increase (Decrease) in Fund Balance	-	-	-	-
3000 Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ -	\$ -

240 National Breakfast and Lunch Program	242 Summer Feeding Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	266 ESSER -School Emergency Relief	270 ESEA VI, Pt B Rural & Low Income	276 Title I - SIP Academy Grant
\$ 82,647	\$ 885	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18,197	-	-	-	-	-	-	-
2,964,145	28,845	86,264	216,422	188,401	33,784	76,640	10,500
3,064,989	29,730	86,264	216,422	188,401	33,784	76,640	10,500
-	-	86,264	178,022	169,091	33,784	76,640	10,500
-	-	-	-	-	-	-	-
-	-	-	38,400	-	-	-	-
-	-	-	-	19,310	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
3,043,471	29,730	-	-	-	-	-	-
-	-	-	-	-	-	-	-
17,552	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
3,061,023	29,730	86,264	216,422	188,401	33,784	76,640	10,500
3,966	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
404	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
404	-	-	-	-	-	-	-
4,370	-	-	-	-	-	-	-
673,291	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ 677,661	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	277 Coronavirus Relief Fund CARES	282 ESSER III	284 Early Headstart	286 CARES Headstart
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	129,566	7,916	1,166,910	294,401
5020 Total Revenues	129,566	7,916	1,166,910	294,401
EXPENDITURES:				
Current:				
0011 Instruction	129,566	7,916	719,796	144,268
0012 Instructional Resources and Media Services	-	-	8,107	-
0013 Curriculum and Instructional Staff Development	-	-	-	-
0021 Instructional Leadership	-	-	111,999	-
0023 School Leadership	-	-	50,415	-
0031 Guidance, Counseling, and Evaluation Services	-	-	99,964	160
0033 Health Services	-	-	47,605	34,269
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	41,286	109,814
0052 Security and Monitoring Services	-	-	-	-
0053 Data Processing Services	-	-	29,782	-
0061 Community Services	-	-	57,956	5,890
Debt Service:				
0071 Principal on Long-Term Debt	-	-	-	-
0072 Interest on Long-Term Debt	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	-	-
6030 Total Expenditures	129,566	7,916	1,166,910	294,401
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES):				
7901 Refunding Bonds Issued	-	-	-	-
7912 Sale of Real and Personal Property	-	-	-	-
7916 Premium or Discount on Issuance of Bonds	-	-	-	-
8940 Payment to Bond Refunding Escrow Agent (Use)	-	-	-	-
7080 Total Other Financing Sources (Uses)	-	-	-	-
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - September 1 (Beginning)	-	-	-	-
1300 Increase (Decrease) in Fund Balance	-	-	-	-
3000 Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ -	\$ -

287 HHS Provider Relief	288 CACFP CDC	289 Other Federal Special Revenue Funds	313 SSA IDEA, Part B Formula	314 SSA IDEA, Part B Preschool	397 Advanced Placement Incentives	410 State Instructional Materials	427 Pre-K
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	39,140
-	-	-	-	-	3,246	339,291	2,360
15,274	49,473	10,685	1,217,490	37,725	-	-	-
15,274	49,473	10,685	1,217,490	37,725	3,246	339,291	41,500
-	-	10,685	203,555	-	3,246	339,291	41,500
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	102,708	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	857,963	37,725	-	-	-
15,274	-	-	-	-	-	-	-
-	49,473	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	35,496	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	17,768	-	-	-	-
15,274	49,473	10,685	1,217,490	37,725	3,246	339,291	41,500
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	428 Math Academies	429 Other State Special Revenue Funds	437 SSA Special Education	459 Other SSA Special Revenue Funds
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ 2,180,915	\$ -
5800 State Program Revenues	3,000	5,400	-	85,749
5900 Federal Program Revenues	-	-	-	-
5020 Total Revenues	<u>3,000</u>	<u>5,400</u>	<u>2,180,915</u>	<u>85,749</u>
EXPENDITURES:				
Current:				
0011 Instruction	3,000	-	1,895,178	-
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	-	-	-
0021 Instructional Leadership	-	-	236,110	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling, and Evaluation Services	-	-	-	85,749
0033 Health Services	-	-	-	-
0034 Student (Pupil) Transportation	-	-	12,553	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	6,000	-
0052 Security and Monitoring Services	-	5,400	-	-
0053 Data Processing Services	-	-	-	-
0061 Community Services	-	-	2,426	-
Debt Service:				
0071 Principal on Long-Term Debt	-	-	-	-
0072 Interest on Long-Term Debt	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	28,648	-
6030 Total Expenditures	<u>3,000</u>	<u>5,400</u>	<u>2,180,915</u>	<u>85,749</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
7901 Refunding Bonds Issued	-	-	-	-
7912 Sale of Real and Personal Property	-	-	-	-
7916 Premium or Discount on Issuance of Bonds	-	-	-	-
8940 Payment to Bond Refunding Escrow Agent (Use)	-	-	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - September 1 (Beginning)	-	-	-	-
1300 Increase (Decrease) in Fund Balance	-	-	-	-
3000 Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

461 Campus Activity Funds	498 MP Education Foundation	499 Other Local Special Revenue Funds	Total Nonmajor Special Revenue Funds	599 Debt Service Fund	Total Nonmajor Governmental Funds
\$ -	\$ 84,246	\$ 15,655	\$ 2,403,488	\$ 4,904,522	\$ 7,308,010
-	-	-	457,243	1,052,664	1,509,907
-	-	-	9,905,777	-	9,905,777
-	84,246	15,655	12,766,508	5,957,186	18,723,694
-	84,246	-	6,501,035	-	6,501,035
-	-	-	16,214	-	16,214
-	-	-	188,031	-	188,031
-	-	-	605,071	-	605,071
-	-	-	236,412	-	236,412
-	-	-	1,163,255	-	1,163,255
-	-	-	173,574	-	173,574
-	-	-	116,999	-	116,999
-	-	15,655	3,138,329	-	3,138,329
(13,077)	-	-	(13,077)	-	(13,077)
-	-	-	223,288	-	223,288
-	-	-	5,728	-	5,728
-	-	-	95,058	-	95,058
-	-	-	253,132	-	253,132
-	-	-	-	2,495,000	2,495,000
-	-	-	-	2,728,477	2,728,477
-	-	-	-	158,374	158,374
-	-	-	46,416	-	46,416
(13,077)	84,246	15,655	12,749,465	5,381,851	18,131,316
13,077	-	-	17,043	575,335	592,378
-	-	-	-	5,205,000	5,205,000
-	-	-	404	-	404
-	-	-	-	827,736	827,736
-	-	-	-	(5,876,062)	(5,876,062)
-	-	-	404	156,674	157,078
13,077	-	-	17,447	732,009	749,456
175,717	-	-	849,008	1,262,950	2,111,958
-	-	-	-	(15,475)	(15,475)
\$ 188,794	\$ -	\$ -	\$ 866,455	\$ 1,979,484	\$ 2,845,939

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 AUGUST 31, 2021

	752	753	Total Internal Service Funds
	Print Shop	Insurance	
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 18,304	\$ 520,909	\$ 539,213
Investments - Current	-	543,698	543,698
Total Current Assets	<u>18,304</u>	<u>1,064,607</u>	<u>1,082,911</u>
Noncurrent Assets:			
Capital Assets:			
Furniture and Equipment	7,994	-	7,994
Depreciation on Furniture and Equipment	(7,994)	-	(7,994)
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>18,304</u>	<u>1,064,607</u>	<u>1,082,911</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	2,251	160,466	162,717
Total Liabilities	<u>2,251</u>	<u>160,466</u>	<u>162,717</u>
NET POSITION			
Unrestricted Net Position	16,053	904,141	920,194
Total Net Position	<u>\$ 16,053</u>	<u>\$ 904,141</u>	<u>\$ 920,194</u>

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2021

	752	753	Total
	Print Shop	Insurance	Internal Service Funds
OPERATING REVENUES:			
Local and Intermediate Sources	\$ 37,215	\$ 352,199	\$ 389,414
Total Operating Revenues	<u>37,215</u>	<u>352,199</u>	<u>389,414</u>
OPERATING EXPENSES:			
Payroll Costs	31,705	53,325	85,030
Professional and Contracted Services	16,628	196,169	212,797
Supplies and Materials	9,286	-	9,286
Other Operating Costs	-	1,310	1,310
Total Operating Expenses	<u>57,619</u>	<u>250,804</u>	<u>308,423</u>
Operating Income (Loss)	(20,404)	101,395	80,991
Total Net Position - September 1 (Beginning)	<u>36,457</u>	<u>802,746</u>	<u>839,203</u>
Total Net Position - August 31 (Ending)	<u>\$ 16,053</u>	<u>\$ 904,141</u>	<u>\$ 920,194</u>

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2021

	752	753	
	Print Shop	Insurance	Total Internal Service Funds
<u>Cash Flows from Operating Activities:</u>			
Cash Received from User Charges	\$ 37,215	\$ 351,876	\$ 389,091
Cash Payments to Employees for Services	(31,705)	(53,325)	(85,030)
Cash Payments for Suppliers	(14,377)	-	(14,377)
Cash Payments for Other Operating Expenses	(9,286)	(191,954)	(201,240)
Net Cash Provided by (Used for) Operating Activities	<u>(18,153)</u>	<u>106,597</u>	<u>88,444</u>
<u>Cash Flows from Non-Capital Financing Activities:</u>			
Increase(decrease) in Short-term Loans	-	-	-
<u>Cash Flows from Capital & Related Financing Activities:</u>			
Acquisition of Capital Assets	-	-	-
<u>Cash Flows from Investing Activities:</u>			
Purchase of Investment Securities	-	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	(18,153)	106,597	88,444
Cash and Cash Equivalents at Beginning of Year	36,457	414,312	450,769
Cash and Cash Equivalents at End of Year	<u>\$ 18,304</u>	<u>\$ 520,909</u>	<u>\$ 539,213</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Provided by (Used for) Operating Activities:</u>			
Operating Income (Loss):	\$ (20,404)	\$ 101,395	\$ 80,991
Adjustments to Reconcile Operating Income			
to Net Cash Provided by (Used For) Operating Activities:			
Depreciation	-	-	-
Effect of Increases and Decreases in Current			
Assets and Liabilities:			
Decrease (increase) in Investments	-	(323)	(323)
Increase (decrease) in Accounts Payable	2,251	5,525	7,776
Net Cash Provided by (Used for)			
Operating Activities	<u>\$ (18,153)</u>	<u>\$ 106,597</u>	<u>\$ 88,444</u>

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 AUGUST 31, 2021

	712 After School Program	713 Concession Stand	714 Career Training Center	Total Nonmajor Enterprise Funds
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 27,873	\$ -	\$ 10,244	\$ 38,117
Total Current Assets	<u>27,873</u>	<u>-</u>	<u>10,244</u>	<u>38,117</u>
Noncurrent Assets:				
Capital Assets:				
Furniture and Equipment	-	27,557	26,871	54,428
Depreciation on Furniture and Equipment	-	(27,557)	(10,556)	(38,113)
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>16,315</u>	<u>16,315</u>
Total Assets	<u>27,873</u>	<u>-</u>	<u>26,559</u>	<u>54,432</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	-	-	73	73
Total Liabilities	<u>-</u>	<u>-</u>	<u>73</u>	<u>73</u>
NET POSITION				
Unrestricted Net Position	27,873	-	26,486	54,359
Total Net Position	<u>\$ 27,873</u>	<u>\$ -</u>	<u>\$ 26,486</u>	<u>\$ 54,359</u>

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2021

	712 After School Program	713 Concession Stand	714 Career Training Center	Total Nonmajor Enterprise Funds
OPERATING REVENUES:				
Local and Intermediate Sources	\$ 59,402	\$ -	\$ 12,293	\$ 71,695
Total Operating Revenues	<u>59,402</u>	<u>-</u>	<u>12,293</u>	<u>71,695</u>
OPERATING EXPENSES:				
Payroll Costs	51,309	-	-	51,309
Professional and Contracted Services	-	-	132	132
Supplies and Materials	14,026	547	3,132	17,705
Other Operating Costs	-	-	224	224
Depreciation Expense	-	-	3,946	3,946
Total Operating Expenses	<u>65,335</u>	<u>547</u>	<u>7,434</u>	<u>73,316</u>
Operating Income (Loss)	(5,933)	(547)	4,859	(1,621)
Total Net Position - September 1 (Beginning)	<u>33,806</u>	<u>547</u>	<u>21,627</u>	<u>55,980</u>
Total Net Position - August 31 (Ending)	<u>\$ 27,873</u>	<u>\$ -</u>	<u>\$ 26,486</u>	<u>\$ 54,359</u>

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2021

	712 After School Program	713 Concession Stand	714 Career Training Center	Total Nonmajor Enterprise Funds
<u>Cash Flows from Operating Activities:</u>				
Cash Received from User Charges	\$ 59,402	\$ -	\$ 12,293	\$ 71,695
Cash Payments to Employees for Services	(51,309)	-	-	(51,309)
Cash Payments for Suppliers	(15,413)	(547)	(3,952)	(19,912)
Cash Payments for Other Operating Expenses	-	-	(464)	(464)
Net Cash Provided by (Used for) Operating Activities	<u>(7,320)</u>	<u>(547)</u>	<u>7,877</u>	<u>10</u>
<u>Cash Flows from Non-Capital Financing Activities:</u>				
Increase(decrease) in Short-term Loans	-	-	-	-
<u>Cash Flows from Capital & Related Financing Activities:</u>				
Acquisition of Capital Assets	-	-	-	-
<u>Cash Flows from Investing Activities:</u>				
Purchase of Investment Securities	-	-	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(7,320)</u>	<u>(547)</u>	<u>7,877</u>	<u>10</u>
Cash and Cash Equivalents at Beginning of Year	<u>35,193</u>	<u>547</u>	<u>2,367</u>	<u>38,107</u>
Cash and Cash Equivalents at End of Year	<u>\$ 27,873</u>	<u>\$ -</u>	<u>\$ 10,244</u>	<u>\$ 38,117</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>				
<u>Provided by (Used for) Operating Activities:</u>				
Operating Income (Loss):	\$ (5,933)	\$ (547)	\$ 4,859	\$ (1,621)
Adjustments to Reconcile Operating Income				
to Net Cash Provided by (Used For) Operating Activities:				
Depreciation	-	-	3,838	3,838
Effect of Increases and Decreases in Current				
Assets and Liabilities:				
Increase (decrease) in Accounts Payable	<u>(1,387)</u>	<u>-</u>	<u>(820)</u>	<u>(2,207)</u>
Net Cash Provided by (Used for)				
Operating Activities	<u>\$ (7,320)</u>	<u>\$ (547)</u>	<u>\$ 7,877</u>	<u>\$ 10</u>

T.E.A. REQUIRED SCHEDULES

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE
 FISCAL YEAR ENDED AUGUST 31, 2021

Last 10 Years Ended August 31	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2012 and prior years	Various	Various	\$ Various
2013	1.040000	0.163000	1,754,782,793
2014	1.040000	0.163000	1,623,792,269
2015	1.040000	0.172000	1,620,591,337
2016	1.040000	0.172000	1,564,462,376
2017	1.040000	0.172000	1,538,344,719
2018	1.040000	0.199000	1,528,450,605
2019	1.040000	0.178000	1,541,904,762
2020	1.040000	0.300000	1,434,483,582
2021 (School year under audit)	0.962700	0.329000	1,494,521,561
1000 TOTALS			

(10) Beginning Balance 9/1/2020	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2021
\$ 138,940	\$ -	\$ 6,343	\$ 1,210	\$ -	\$ 131,387
17,616	-	2,928	705	-	13,983
28,754	-	4,606	890	-	23,258
37,143	-	4,095	773	-	32,275
52,798	-	9,269	1,110	-	42,419
86,406	-	15,775	3,710	-	66,921
119,357	-	37,967	6,910	-	74,480
232,017	-	77,341	14,732	-	139,944
507,715	-	188,856	54,484	-	264,375
-	19,304,735	14,034,731	4,747,385	(110,739)	411,880
<u>\$ 1,220,746</u>	<u>\$ 19,304,735</u>	<u>\$ 14,381,911</u>	<u>\$ 4,831,909</u>	<u>\$ (110,739)</u>	<u>\$ 1,200,922</u>

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM
 FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 220,710	\$ 220,710	\$ 82,647	\$ (138,063)
5800 State Program Revenues	16,000	16,000	18,197	2,197
5900 Federal Program Revenues	3,136,700	3,370,397	2,964,145	(406,252)
5020 Total Revenues	<u>3,373,410</u>	<u>3,607,107</u>	<u>3,064,989</u>	<u>(542,118)</u>
EXPENDITURES:				
Current:				
0035 Food Services	3,345,910	3,579,607	3,043,471	536,136
0051 Facilities Maintenance and Operations	27,500	27,500	17,552	9,948
6030 Total Expenditures	<u>3,373,410</u>	<u>3,607,107</u>	<u>3,061,023</u>	<u>546,084</u>
1100 Excess of Revenues Over Expenditures	-	-	3,966	3,966
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	-	404	404
1200 Net Change in Fund Balances	-	-	4,370	4,370
0100 Fund Balance - September 1 (Beginning)	<u>673,291</u>	<u>673,291</u>	<u>673,291</u>	<u>-</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 673,291</u>	<u>\$ 673,291</u>	<u>\$ 677,661</u>	<u>\$ 4,370</u>

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 4,965,857	\$ 4,965,857	\$ 4,904,522	\$ (61,335)
5800 State Program Revenues	262,631	262,631	1,052,664	790,033
5020 Total Revenues	5,228,488	5,228,488	5,957,186	728,698
EXPENDITURES:				
Debt Service:				
0071 Principal on Long-Term Debt	2,430,000	2,430,000	2,495,000	(65,000)
0072 Interest on Long-Term Debt	2,796,738	2,796,738	2,728,477	68,261
0073 Bond Issuance Cost and Fees	1,750	158,424	158,374	50
6030 Total Expenditures	5,228,488	5,385,162	5,381,851	3,311
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(156,674)	575,335	732,009
OTHER FINANCING SOURCES (USES):				
7901 Refunding Bonds Issued	-	5,205,000	5,205,000	-
7916 Premium or Discount on Issuance of Bonds	-	827,736	827,736	-
8940 Payment to Bond Refunding Escrow Agent (Use)	-	(5,876,062)	(5,876,062)	-
7080 Total Other Financing Sources (Uses)	-	156,674	156,674	-
1200 Net Change in Fund Balances	-	-	732,009	732,009
0100 Fund Balance - September 1 (Beginning)	1,262,950	1,262,950	1,262,950	-
1300 Increase (Decrease) in Fund Balance	-	-	(15,475)	(15,475)
3000 Fund Balance - August 31 (Ending)	\$ 1,262,950	\$ 1,262,950	\$ 1,979,484	\$ 716,534

STATE COMPENSATORY EDUCATION AND BILINGUAL EDUCATION PROGRAM EXPENDITURES

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT

Fiscal Year 2021

Section A: Compensatory Education Programs

AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	6231464
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year.	3617940

Section B: Bilingual Education Programs

AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	1525529
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25,35)	1107945

REPORTS ON
INTERNAL CONTROLS, COMPLIANCE
AND
FEDERAL AWARDS



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Mount Pleasant Independent School District
Mount Pleasant, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Mount Pleasant Independent School District, as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 15, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Arnold, Walker, Arnold & Co., P.C.

Arnold, Walker, Arnold & Co., P.C.

October 15, 2021

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INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Trustees
Mount Pleasant Independent School District
Mount Pleasant, Texas

Report on Compliance for Each Major Federal Program

We have audited the Mount Pleasant Independent School District’s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District’s major federal programs for the year ended August 31, 2021. The District’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the District’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District’s compliance.

Opinion on Each Major Federal Program

In our opinion, the District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2021.

Report on Internal Control over Compliance

Management of the District, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District’s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Arnold, Walker, Arnold & Co., P.C.

Arnold, Walker, Arnold & Co., P.C.

October 15, 2021

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2021

I. Summary of the Auditor's Results:

- a. The type of report issued on the financial statements of the Mount Pleasant Independent School District was an unmodified opinion.
- b. Where applicable, a statement that control deficiencies in internal control were disclosed by the audit of the financial statements and whether they were material weaknesses. NONE
- c. A statement as to whether the audit disclosed any noncompliance which is material to the financial statements of the auditee. NONE
- d. Where applicable, a statement that control deficiencies in internal control over major programs were disclosed by the audit and whether any such conditions were material weaknesses. NONE
- e. The type of report the auditor issued on compliance for major programs. unmodified opinion
- f. A statement as to whether the audit disclosed any audit findings which the auditor is required to report under "Uniform Guidance under section 200.516 Audit Findings paragraph (a)" as required by Title 2 U.S. code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"). : NONE
- g. An identification of major programs: ESEA Title I, Part A CFDA#84.010A and National School Lunch and Breakfast Program CFDA# 10.553, 10.555, & 10.558
- h. The dollar threshold used to distinguish between Type A and Type B programs. \$750,000
- i. A statement as to whether the auditee qualified as a low-risk auditee. Yes

II. Findings Relating to the Financial Statements Which Are Required To Be Reported in Accordance with *Generally Accepted Government Auditing Standards*.

NONE

III. Findings and Questioned Costs for Federal Awards Including Audit Findings as Described in I.f Above

None

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2021

PRIOR YEAR'S FINDINGS/ NONCOMPLIANCE

N/A

STATUS OF PRIOR YEAR'S FINDINGS/ NONCOMPLIANCE

N/A

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED AUGUST 31, 2021

CORRECTIVE ACTION

N/A

The contact at the District is Stacie Thompson at (903) 575-2000.

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2021

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal Assistance Listing No.	Pass-Through Entity Identifying Number	Federal Expenditures
DEPARTMENT OF THE TREASURY			
<u>Passed Through State Department of Education</u>			
COVID - 19 Coronavirus Relief Fund	21.019	449-1E6B1-00	\$ 129,566
Total Passed Through State Department of Education			129,566
TOTAL DEPARTMENT OF THE TREASURY			129,566
 U.S. DEPARTMENT OF EDUCATION			
<u>Passed Through Region ESC's</u>			
ESEA, Title I, Part C - Migratory Children	84.011A	21615001225902	2,956
Total Passed Through Region ESC's			2,956
<u>Passed Through State Department of Education</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	21610101225902	1,442,106
Other Federally Funded Special Revenue Funds	84.369A	89551402	10,685
*SSA - IDEA - Part B, Formula	84.027A	216600012259026600	1,217,490
*SSA - IDEA - Part B, Preschool	84.173A	216610012259026610	37,725
Total Special Education Cluster (IDEA)			1,255,215
Elementary Secondary School Emergency Relief III	84.425U	21521001225902	7,916
Elementary & Secondary School Emergency Relief Fd	84.425D	20521001225902	33,784
Total Assistance Listing Number 84.425			41,700
	84.424A	21680101225902	89,783
Title III, Part A - English Language Acquisition	84.365A	21671001225902	193,862
ESEA, Title VI, Part B - Rural & Low Income Prog.	84.358B	21696001225902	76,640
ESEA, Title II, Part A, Teacher Principal Training	84.367A	21694501225902	222,317
Career and Technical - Basic Grant	84.048A	21420006225902	86,264
Instructional Continuity	84.377A	17610740225902	10,500
Total Passed Through State Department of Education			3,429,072
TOTAL U.S. DEPARTMENT OF EDUCATION			3,432,028
 U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Direct Programs</u>			
Head Start	93.600	06CH0I098502	3,354,291
Total Direct Programs			3,354,291
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			3,354,291
 U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through the State Department of Agriculture</u>			
*School Breakfast Program	10.553	N/A	579,635
*National School Lunch Program - Cash Assistance	10.555	N/A	2,179,658
*National School Lunch Prog. - Non-Cash Assistance	10.555	N/A	233,697
Total Assistance Listing Number 10.555			2,413,355

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED AUGUST 31, 2021

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal Assistance Listing No.	Pass-Through Entity Identifying Number	Federal Expenditures
Total Child Nutrition Cluster			2,992,990
Child & Adult Care Food Program - Cash Assistance	10.558	N/A	49,473
Total Passed Through the State Department of Agriculture			3,042,463
TOTAL U.S. DEPARTMENT OF AGRICULTURE			3,042,463
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 9,958,348

*Clustered Programs

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
 NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS

YEAR ENDED AUGUST 31, 2021

- For all Federal programs, the District uses the fund types specified in Texas Education Agency's *Financial Accountability System Resource Guide*.
- **General Fund** - is used to account for , among other things, resources related to the United States Department of Defense ROTC program and the United States Department of Education's Impact Aid.
- **Special Revenue Funds** - are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund. Generally, unused balances are returned to the grantor at the close of specified project periods.
- The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All Federal grant funds were accounted for in a Special Revenue Fund or, in some instances, in the General Fund which are Governmental Fund type funds.

With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used for the Governmental Fund types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for un-matured interest on General Long-Term Debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as unearned revenues until earned.

- The period of performance for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 90 days beyond the federal project period ending date, in accordance with provisions in Section H, Period of Performance of Federal Funds, 3 CFR Section 200.343(b).
- Assistance Listing numbers for commodity assistance are the Assistance Listing numbers of the programs under which USDA donated the commodities.
- Indirect cost reimbursement for federal programs for this fiscal year was received in the amount of \$0.

• Reconciliation Information:	
Amount reported on th Schedule of Expenditures of Federal Awards.	9,958,348
SHARS Revenue reported in the General Fund.	1,237,395
Corona Virus Relief Fund Revenue from State Department of Education in the General Fund covering prior year expenses.	586,024
Corona Virus Releif Fund Revenue from Texas Department of Emergency Management in the General Fund covering prior year expenses.	716,808
Federal Program Revenue Reported on Exhibit C-3	<u>12,498,575</u>
Total Federal Program Revenue	<u><u>12,498,575</u></u>

SCHOOLS FIRST QUESTIONNAIRE

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT

Fiscal Year 2021

SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement?	No
SF3	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If there was a warrant hold not cleared in 30 days, then not timely.)	Yes
SF4	Was the school district issued a warrant hold? (Yes even if cleared within 30 days.)	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules in effect at the fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year end.	0