

**MOUNT PLEASANT
INDEPENDENT SCHOOL DISTRICT**

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED**

AUGUST 31, 2022

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED AUGUST 31, 2022

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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, 2022 at a meeting of the Board of Trustees of such school district on the ____ day of _____, 2022.

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 Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-12 and 84-85 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 accompanying combining and individual non-major fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2022, 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 solely 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 the effectiveness of the District's 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 District's internal control over financial reporting and compliance.

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

Arnold, Walker, Arnold & Co., P.C.
October 20, 2022

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, 2022. 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 \$10.17 million at August 31, 2022 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 \$4.4 million. The adjustment for the change to the OPEB liability and the pension liability that effected the current year increased net position by \$1.85 million compared to a \$789 thousand decrease the prior year. Total expenses of the District were \$72.2 million for the year. Revenues were \$76.5 million, which was an increase of \$899 thousand or 1%. The increase for expenses was \$3.4 million or 5%. Payroll increased \$2.8 million, mainly due to retention incentive pay funded by ESSER funds. Various supply costs increased as well.

The District reported unassigned fund balance in the general fund of \$20.3 million at August 31, 2022, which is a decrease of \$1.9 million. Fund balance of \$2.9 million was committed for construction. An additional \$617 thousand was added to the fund balance restricted for retirement of debt in the general fund. Revenues decreased \$3.3 million in the general fund. ESSER revenue of \$5 million offset this. Property tax revenue was more than the prior year by \$210 thousand. Total General Fund expenditures were \$56 million which was up \$5 million over the prior year. Payroll costs, supply costs and construction costs paid by the general fund were up.

Approximately 98% of the taxes levied for 2021-2022 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 \$11.3 million.

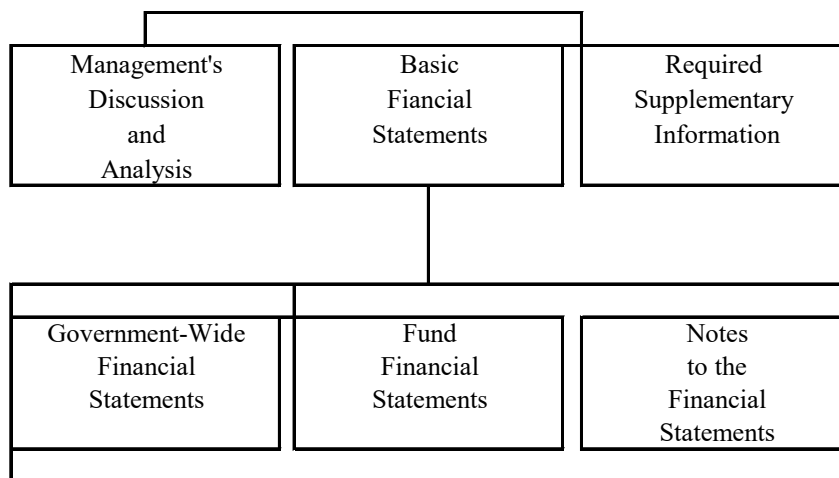
Under accounting standards as per GASB 75, which began in 2018 the District's portion of the net OPEB liability for TRS Care has been recorded in the government-wide statements. The District's portion of this liability and the related deferred outflow and inflow is a net liability of \$26.3 million.

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 changes in fiduciary net position
			*Statement of cash flows	
<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 \$4.4 million over the prior year.

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

	Governmental Activities		Business Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	44,367	61,754	44	38	44,411	61,792
Capital and non-current assets	106,336	89,083	12	16	106,348	89,099
TOTAL ASSETS	150,703	150,837	56	54	150,759	150,891
Deferred outflow related to TRS pension	4,908	6,322	-	-	4,908	6,322
Deferred outflow related to TRS OPEB	3,803	3,322	-	-	3,803	3,322
TOTAL DEFERRED OUTFLOW OF RESOURCES	8,711	9,644	-	-	8,711	9,644
Long-term liabilities	120,232	132,634	-	-	120,232	132,634
Other liabilities	7,327	6,368	2	-	7,329	6,368
TOTAL LIABILITIES	127,559	139,002	2	-	127,561	139,002
Deferred inflow related to TRS pension	8,688	2,804	-	-	8,688	2,804
Deferred inflow related to TRS OPEB	13,050	12,956	-	-	13,050	12,956
TOTAL DEFERRED INFLOWS OF RESOURCES	21,738	15,760	-	-	21,738	15,760
Net position						
Net investment in capital assets	10,761	9,446	12	-	10,773	9,446
Restricted	12,135	7,334	-	-	12,135	7,334
Unrestricted	(12,779)	(11,061)	42	54	(12,737)	(11,007)
TOTAL NET POSITION	10,117	5,719	54	54	10,171	5,773

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 \$11.3 million and \$26.3 million respectively.

The \$12.1 million is restricted as follows:

Restricted for capital projects	3,158		
Restricted for food service	1,437		
Restricted for debt service	7,305		
Restricted for other purposes	235		
	<u>12,135</u>		

Net position of the District's governmental activities increased \$4.4 million. The increase was the result of these main factors. First, the District's expenditures exceeded revenues by \$18.4 million because of construction costs of \$20.4 million. Second, the District recorded depreciation of \$5.5 million. Third, a decrease of \$943 thousand to net pension liability net of the related deferred inflow/outflow and a decrease to OPEB liability net of related deferred inflows/outflows of \$912 thousand have been recorded. The District added \$22.7 million of new fixed assets. Most was from construction paid out of bond proceeds received the previous year. \$2.96 million was paid in debt principal.

Changes in net position.

The District's total revenues were \$76.6 million. 25% of this comes from taxes, 45% was from state aid formula grants and 25% came from operating grants and contributions.

The total cost of all programs was \$72.2 million. Approximately 73% of this was for instructional and student services.

Net position increased by \$4.4 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	
	2022	2021	2022	2021	2022	2021
Revenues						
<u>Program Revenues</u>						
Charges for Services	2,648	2,496	65	71	2,713	2,567
Operating Grants and Contributions	19,400	16,482	-	-	19,400	16,482
<u>General Revenues</u>						
Property Taxes	19,366	19,205	-	-	19,366	19,205
State aid - formula	34,203	36,631	-	-	34,203	36,631
Investment earnings	299	327	-	-	299	327
Other	676	546	-	-	676	546
Total Revenues	<u>76,592</u>	<u>75,687</u>	<u>65</u>	<u>71</u>	<u>76,657</u>	<u>75,758</u>
Expenses						
Instruction and instructional related	42,833	40,997	-	-	42,833	40,997
Instructional leadership/school administration	4,013	4,279	-	-	4,013	4,279
Guidance, social work, health, transportation	6,001	5,349	-	-	6,001	5,349
Food services	3,573	3,351	-	-	3,573	3,351
Extracurricular activities	2,009	1,595	-	-	2,009	1,595
General Administration	1,375	1,425	-	-	1,375	1,425
Plant maintenance and security	6,389	5,779	-	-	6,389	5,779
Data processing services	924	905	-	-	924	905
Community services	244	288	65	73	309	361
Debt service	2,406	2,474	-	-	2,406	2,474
Facilities acquisition and construction	118	29	-	-	118	29
Pmts to fiscal agent/member districts - shared service	2,012	2,031	-	-	2,012	2,031
Other intergovernmental charges	298	275	-	-	298	275
Total Expenses	<u>72,195</u>	<u>68,777</u>	<u>65</u>	<u>73</u>	<u>72,260</u>	<u>68,850</u>
Increase (Decrease) in Net Position	4,397	6,910	-	(2)	4,397	6,908
Beginning Net Position	5,719	(1,098)	54	56	5,773	(1,042)
Prior Period Adjustment	1	(93)	-	-	1	(93)
Ending Net Position	<u>10,117</u>	<u>5,719</u>	<u>54</u>	<u>54</u>	<u>10,171</u>	<u>5,773</u>

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 \$72.2 million.
- However, the amount that taxpayers paid for these activities through property taxes was only \$19.3 million.
- Some of the cost was paid by those who directly benefited from the programs (\$2.65 million), or by grants and contributions (\$19.4 million).

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

	Total Cost of Services		Net Cost of Services	
	2022	2021	2022	2021
Instruction	42,883	40,977	30,251	29,065
School administration	4,013	4,279	2,957	3,157
Plant Maintenance & Operations	6,389	5,779	5,772	5,456
Debt Service-Interest & Fiscal Charges	2,406	2,474	2,406	2,474

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District reported fund balance in its governmental funds of approximately \$35.6 million reflecting a net decrease of \$18.4 million. The general fund balance decreased \$3 million. Reasons for the change are explained above on page 4. The food service fund balance increased by \$759 thousand to a balance of \$1.436 million. Reimbursement rates for meals increased substantially. The debt service fund balance increased by \$212 thousand to a balance of \$2.2 million at August 31, 2022. The remaining decrease is in the capital projects fund as \$16.5 million of bond proceeds received in a prior year was spent on construction this year leaving \$3.16 million to be used to complete construction.

General Fund Budgetary Highlights

Some budget amendments were made during the year. Actual revenue was less than budgeted revenue by \$121 thousand or 0.2% mainly because state revenue was less than budgeted. Expenditures were \$56 million or 0.16% less than budgeted. The actual net decrease in fund balance was \$56 thousand less than 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	
	2022	2021
Land	1,867	1,878
Buildings and improvements	160,056	110,475
Furniture and equipment	24,537	17,532
Construction in progress	824	34,735
Totals at historical cost	<u>187,284</u>	<u>164,620</u>
Total accumulated depreciation	<u>(80,949)</u>	<u>(75,536)</u>
Net capital assets	<u><u>106,335</u></u>	<u><u>89,084</u></u>

Approximately \$22.7 million of fixed assets were acquired through construction or purchase as High School construction and renovation is nearing completion. 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	
	2022	2021
Bonds payable	75,491	78,770
Notes payable	<u>20,082</u>	<u>20,439</u>
Total bonds and notes payable	<u><u>95,573</u></u>	<u><u>99,209</u></u>

\$2.965 million was paid on principal this year. No new debt was issued this year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Despite the ongoing pandemic, school began in 2021-2022 with success although total enrollment remained around 200 fewer students than in pre-COVID years. TEA (Texas Education Agency) implemented a hold-harmless methodology for ADA (average daily attendance) for the first four six weeks due to numerous districts experiencing low attendance. This resulted in an average daily attendance for the school year that was approximately 100 higher than actual which, in turn, generated additional state funding. With this influx of funding, the District was able to purchase additional technology equipment, food service equipment, and repair facilities. Total fund balances will decrease due to the spending of the portions committed at the beginning of 21-22 for turf, data center and busses.

The District was 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. ESSER I funds have been spent entirely and ESSER II funds are currently being spent to update HVAC systems. One-third of the ESSER III funds have been spent on technology, nursing, counseling and teacher retention as a response to the pandemic. The remaining funds are budgeted to be spent in the same manner by August 2024.

The construction approved in the 2019 bond issue is almost complete. The remaining renovations to the High School auditorium are on track to be completed in February 2023.

The 2022-2023 school year began smoothly. Enrollment increased by 60 from the previous year which has had a positive impact on ADA. The Board adopted a balanced budget and dropped the tax rate by \$.0998. Approximately \$2.9M will be committed from fund balance in 22-23 for the auditorium project not funded by the bond and phase II of the wireless project not funded by Erate.

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, 2022

EXHIBIT A-1

		1	2	3
		Primary Government		
Data			Business	
Control		Governmental	Type	
Codes		Activities	Activities	Total
ASSETS				
1110	Cash and Cash Equivalents	\$ 14,210,081	\$ 44,209	\$ 14,254,290
1120	Current Investments	25,776,464	-	25,776,464
1210	Property Taxes - Current	1,267,300	-	1,267,300
1230	Allowance for Uncollectible Taxes	(760,380)	-	(760,380)
1240	Due from Other Governments	3,476,269	-	3,476,269
1300	Inventories	225,592	-	225,592
1410	Prepayments	172,659	-	172,659
	Capital Assets:			
1510	Land	1,867,685	-	1,867,685
1520	Buildings, Net	92,786,806	-	92,786,806
1530	Furniture and Equipment, Net	10,856,667	12,476	10,869,143
1580	Construction in Progress	823,589	-	823,589
1000	Total Assets	150,702,732	56,685	150,759,417
DEFERRED OUTFLOWS OF RESOURCES				
1705	Deferred Outflow Related to TRS Pension	4,907,395	-	4,907,395
1706	Deferred Outflow Related to TRS OPEB	3,803,215	-	3,803,215
1700	Total Deferred Outflows of Resources	8,710,610	-	8,710,610
LIABILITIES				
2110	Accounts Payable	3,958,485	2,627	3,961,112
2150	Payroll Deductions and Withholdings	407,817	-	407,817
2160	Accrued Wages Payable	2,450,007	-	2,450,007
2180	Due to Other Governments	183,121	-	183,121
2300	Unearned Revenue	327,850	-	327,850
	Noncurrent Liabilities:			
2501	Due Within One Year: Loans, Note, Leases, etc.	3,060,000	-	3,060,000
	Due in More than One Year:			
2502	Bonds, Notes, Loans, Leases, etc.	92,513,419	-	92,513,419
2540	Net Pension Liability (District's Share)	7,586,733	-	7,586,733
2545	Net OPEB Liability (District's Share)	17,071,474	-	17,071,474
2000	Total Liabilities	127,558,906	2,627	127,561,533
DEFERRED INFLOWS OF RESOURCES				
2605	Deferred Inflow Related to TRS Pension	8,687,592	-	8,687,592
2606	Deferred Inflow Related to TRS OPEB	13,050,154	-	13,050,154
2600	Total Deferred Inflows of Resources	21,737,746	-	21,737,746
NET POSITION				
3200	Net Investment in Capital Assets	10,761,328	12,476	10,773,804
	Restricted:			
3820	Restricted for Federal and State Programs	1,436,999	-	1,436,999
3850	Restricted for Debt Service	7,305,341	-	7,305,341
3860	Restricted for Capital Projects	3,157,670	-	3,157,670
3890	Restricted for Other Purposes	235,164	-	235,164
3900	Unrestricted	(12,779,812)	41,582	(12,738,230)
3000	Total Net Position	\$ 10,116,690	\$ 54,058	\$ 10,170,748

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, 2022

Data Control Codes	1	Program Revenues	
		3	4
	Expenses	Charges for Services	Operating Grants and Contributions
Primary Government:			
GOVERNMENTAL ACTIVITIES:			
11 Instruction	\$ 41,490,484	\$ 2,033,896	\$ 10,345,229
12 Instructional Resources and Media Services	354,582	-	25,730
13 Curriculum and Instructional Staff Development	988,059	-	176,627
21 Instructional Leadership	1,023,306	257,619	416,187
23 School Leadership	2,990,025	-	382,674
31 Guidance, Counseling, and Evaluation Services	2,327,411	-	1,822,023
33 Health Services	986,518	-	985,042
34 Student (Pupil) Transportation	2,686,617	15,012	109,794
35 Food Services	3,573,064	164,119	4,139,843
36 Extracurricular Activities	2,008,906	134,816	4,565
41 General Administration	1,375,238	-	22,283
51 Facilities Maintenance and Operations	5,697,089	22,680	479,247
52 Security and Monitoring Services	691,558	-	114,262
53 Data Processing Services	924,221	-	115,227
61 Community Services	243,767	4,035	261,716
72 Debt Service - Interest on Long-Term Debt	2,407,470	-	-
73 Debt Service - Bond Issuance Cost and Fees	(715)	-	-
81 Capital Outlay	117,573	-	-
93 Payments Related to Shared Services Arrangements	2,012,041	15,797	-
99 Other Intergovernmental Charges	297,968	-	-
[TG] Total Governmental Activities:	72,195,182	2,647,974	19,400,449
BUSINESS-TYPE ACTIVITIES:			
01 Enterprise Funds - Locally Defined	57,337	50,535	-
02 Unidentified Fund from Trial Balance	7,552	14,053	-
[TB] Total Business-Type Activities:	64,889	64,588	-
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 72,260,071	\$ 2,712,562	\$ 19,400,449

Data	
Control	General Revenues:
Codes	Taxes:
MT	Property Taxes, Levied for General Purposes
DT	Property Taxes, Levied for Debt Service
SF	State Aid - Formula Grants
IE	Investment Earnings
MI	Miscellaneous Local and Intermediate Revenue
FR	Gain on Sale of Assets
TR	Total General Revenues & Transfers
CN	Change in Net Position
NB	Net Position - Beginning
PA	Prior Period Adjustment
NE	Net Position - Ending

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
\$ (29,111,359)	\$ -	\$ (29,111,359)
(328,852)	-	(328,852)
(811,432)	-	(811,432)
(349,500)	-	(349,500)
(2,607,351)	-	(2,607,351)
(505,388)	-	(505,388)
(1,476)	-	(1,476)
(2,561,811)	-	(2,561,811)
730,898	-	730,898
(1,869,525)	-	(1,869,525)
(1,352,955)	-	(1,352,955)
(5,195,162)	-	(5,195,162)
(577,296)	-	(577,296)
(808,994)	-	(808,994)
21,984	-	21,984
(2,407,470)	-	(2,407,470)
715	-	715
(117,573)	-	(117,573)
(1,996,244)	-	(1,996,244)
(297,968)	-	(297,968)
(50,146,759)	-	(50,146,759)
-	(6,802)	(6,802)
-	6,501	6,501
-	(301)	(301)
(50,146,759)	(301)	(50,147,060)
14,616,923	-	14,616,923
4,749,170	-	4,749,170
34,203,457	-	34,203,457
298,727	-	298,727
494,974	-	494,974
180,601	-	180,601
54,543,852	-	54,543,852
4,397,093	(301)	4,396,792
5,718,997	54,359	5,773,356
600	-	600
\$ 10,116,690	\$ 54,058	\$ 10,170,748

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2022

Data Control Codes	10 General Fund	60 Capital Projects	Other Funds	Total Governmental Funds
ASSETS				
1110 Cash and Cash Equivalents	\$ 12,523,022	\$ -	\$ 1,089,464	\$ 13,612,486
1120 Investments - Current	17,428,670	5,624,575	2,176,766	25,230,011
1210 Property Taxes - Current	963,148	-	304,152	1,267,300
1230 Allowance for Uncollectible Taxes	(577,889)	-	(182,491)	(760,380)
1240 Due from Other Governments	2,169,516	-	1,306,753	3,476,269
1300 Inventories	225,592	-	-	225,592
1410 Prepayments	-	-	172,659	172,659
1000 Total Assets	<u>\$ 32,732,059</u>	<u>\$ 5,624,575</u>	<u>\$ 4,867,303</u>	<u>\$ 43,223,937</u>
LIABILITIES				
2110 Accounts Payable	\$ 926,973	\$ 2,466,905	\$ 395,153	\$ 3,789,031
2150 Payroll Deductions and Withholdings Payable	407,817	-	-	407,817
2160 Accrued Wages Payable	2,450,007	-	-	2,450,007
2180 Due to Other Governments	-	-	183,121	183,121
2300 Unearned Revenue	33,718	-	294,132	327,850
2000 Total Liabilities	<u>3,818,515</u>	<u>2,466,905</u>	<u>872,406</u>	<u>7,157,826</u>
DEFERRED INFLOWS OF RESOURCES				
2601 Unavailable Revenue - Property Taxes	385,259	-	121,661	506,920
2600 Total Deferred Inflows of Resources	<u>385,259</u>	<u>-</u>	<u>121,661</u>	<u>506,920</u>
FUND BALANCES				
Nonspendable Fund Balance:				
3410 Inventories	225,592	-	-	225,592
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	-	-	1,436,999	1,436,999
3470 Capital Acquisition and Contractual Obligation	-	3,157,670	-	3,157,670
3480 Retirement of Long-Term Debt	5,104,268	-	2,201,073	7,305,341
3490 Other Restricted Fund Balance	-	-	235,164	235,164
Committed Fund Balance:				
3510 Construction	2,900,000	-	-	2,900,000
3600 Unassigned Fund Balance	20,298,425	-	-	20,298,425
3000 Total Fund Balances	<u>28,528,285</u>	<u>3,157,670</u>	<u>3,873,236</u>	<u>35,559,191</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 32,732,059</u>	<u>\$ 5,624,575</u>	<u>\$ 4,867,303</u>	<u>\$ 43,223,937</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, 2022

EXHIBIT C-2

Total Fund Balances - Governmental Funds	\$ 35,559,191
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.	974,594
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 \$164,620,193 and the accumulated depreciation was (\$75,536,184). 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.	(10,125,044)
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 2022 capital outlays and debt principal payments is to decrease net position.	25,719,150
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 \$6,321,835, a Deferred Resource Inflow in the amount of \$2,803,897, and a net pension liability in the amount of \$15,828,726. The impact of this on Net Position is \$(12,310,788)). Changes in the plan reported by TRS for this measurement period resulted in an increase in net position in the amount of \$943,858. 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 \$(11,366,930).	(11,366,930)
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 \$3,322,074, a Deferred Resource Inflow in the amount of \$12,956,369 and a net OPEB liability in the amount of \$17,596,002. The impact of this on Net Position is \$(27,230,297). Changes in the OPEB reported by TRS for this measurement period resulted in an increase in net position in the amount of \$911,884. 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 \$(26,318,413).	(26,318,413)
6 The 2022 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.	(5,503,412)
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.	1,177,554
19 Net Position of Governmental Activities	\$ 10,116,690

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, 2022

Data Control Codes	10 General Fund	60 Capital Projects	Other Funds	Total Governmental Funds
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 15,374,284	\$ 54,512	\$ 7,352,420	\$ 22,781,216
5800 State Program Revenues	35,981,199	-	1,576,805	37,558,004
5900 Federal Program Revenues	1,448,199	-	16,131,975	17,580,174
5020 Total Revenues	52,803,682	54,512	25,061,200	77,919,394
EXPENDITURES:				
Current:				
0011 Instruction	29,720,509	-	10,229,436	39,949,945
0012 Instructional Resources and Media Services	355,421	-	25,730	381,151
0013 Curriculum and Instructional Staff Development	853,773	-	168,185	1,021,958
0021 Instructional Leadership	449,955	-	648,482	1,098,437
0023 School Leadership	2,872,106	-	340,556	3,212,662
0031 Guidance, Counseling, and Evaluation Services	795,961	-	1,737,608	2,533,569
0033 Health Services	86,160	-	968,159	1,054,319
0034 Student (Pupil) Transportation	2,654,701	-	124,806	2,779,507
0035 Food Services	240,280	-	3,528,127	3,768,407
0036 Extracurricular Activities	2,415,068	-	(41,205)	2,373,863
0041 General Administration	1,421,089	-	22,283	1,443,372
0051 Facilities Maintenance and Operations	5,538,388	-	493,601	6,031,989
0052 Security and Monitoring Services	636,668	-	105,820	742,488
0053 Data Processing Services	957,708	-	106,785	1,064,493
0061 Community Services	20,357	-	257,309	277,666
Debt Service:				
0071 Principal on Long-Term Liabilities	330,000	-	2,635,000	2,965,000
0072 Interest on Long-Term Liabilities	406,941	-	2,671,163	3,078,104
0073 Bond Issuance Cost and Fees	2,424	-	(3,139)	(715)
Capital Outlay:				
0081 Facilities Acquisition and Construction	3,981,662	16,468,082	-	20,449,744
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	1,996,244	-	15,797	2,012,041
0099 Other Intergovernmental Charges	297,968	-	-	297,968
6030 Total Expenditures	56,033,383	16,468,082	24,034,503	96,535,968
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,229,701)	(16,413,570)	1,026,697	(18,616,574)
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	190,601	-	-	190,601
1200 Net Change in Fund Balances	(3,039,100)	(16,413,570)	1,026,697	(18,425,973)
0100 Fund Balance - September 1 (Beginning)	31,567,385	19,571,240	2,845,939	53,984,564
1300 Prior period adjustment	-	-	600	600
3000 Fund Balance - August 31 (Ending)	\$ 28,528,285	\$ 3,157,670	\$ 3,873,236	\$ 35,559,191

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, 2022

EXHIBIT C-4

Total Net Change in Fund Balances - Governmental Funds	\$ (18,425,973)
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.	54,400
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 2022 capital outlays and debt principal payments is to increase net position.	25,719,150
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.	(5,503,412)
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.	697,186
Current year changes due to GASB 68 resulted in a net effect on the change in the ending net position as an increase in the amount of \$943,858	943,858
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 \$911,884.	911,884
Change in Net Position of Governmental Activities	\$ 4,397,093

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, 2022

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	\$ 15,234,752	\$ 15,368,752	\$ 15,374,284	\$ 5,532
5800 State Program Revenues	32,237,588	36,077,508	35,981,199	(96,309)
5900 Federal Program Revenues	1,359,470	1,478,470	1,448,199	(30,271)
5020 Total Revenues	48,831,810	52,924,730	52,803,682	(121,048)
EXPENDITURES:				
Current:				
0011 Instruction	28,216,740	29,731,247	29,720,509	10,738
0012 Instructional Resources and Media Services	383,070	360,121	355,421	4,700
0013 Curriculum and Instructional Staff Development	902,525	856,922	853,773	3,149
0021 Instructional Leadership	409,420	462,168	449,955	12,213
0023 School Leadership	2,831,950	2,897,169	2,872,106	25,063
0031 Guidance, Counseling, and Evaluation Services	642,335	796,690	795,961	729
0033 Health Services	19,770	86,190	86,160	30
0034 Student (Pupil) Transportation	2,344,270	2,655,514	2,654,701	813
0035 Food Services	-	240,769	240,280	489
0036 Extracurricular Activities	1,806,340	2,417,820	2,415,068	2,752
0041 General Administration	1,340,795	1,421,098	1,421,089	9
0051 Facilities Maintenance and Operations	4,923,805	5,549,208	5,538,388	10,820
0052 Security and Monitoring Services	572,460	637,426	636,668	758
0053 Data Processing Services	722,435	959,083	957,708	1,375
0061 Community Services	5,500	21,482	20,357	1,125
Debt Service:				
0071 Principal on Long-Term Liabilities	844,230	330,000	330,000	-
0072 Interest on Long-Term Liabilities	397,655	411,885	406,941	4,944
0073 Bond Issuance Cost and Fees	2,500	2,500	2,424	76
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	3,984,928	3,981,662	3,266
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	2,151,010	2,001,010	1,996,244	4,766
0099 Other Intergovernmental Charges	330,000	300,000	297,968	2,032
6030 Total Expenditures	48,846,810	56,123,230	56,033,383	89,847
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,000)	(3,198,500)	(3,229,701)	(31,201)
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	15,000	215,000	190,601	(24,399)
1200 Net Change in Fund Balances	-	(2,983,500)	(3,039,100)	(55,600)
0100 Fund Balance - September 1 (Beginning)	31,567,385	31,567,385	31,567,385	-
3000 Fund Balance - August 31 (Ending)	\$ 31,567,385	\$ 28,583,885	\$ 28,528,285	\$ (55,600)

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, 2022

EXHIBIT D-1

	Business-Type Activities -	Governmental Activities -
	Total Enterprise Funds	Total Internal Service Funds
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 44,209	\$ 597,595
Investments - Current	-	546,453
Total Current Assets	<u>44,209</u>	<u>1,144,048</u>
Noncurrent Assets:		
Capital Assets:		
Furniture and Equipment	54,428	7,994
Depreciation on Furniture and Equipment	<u>(41,952)</u>	<u>(7,994)</u>
Total Noncurrent Assets	<u>12,476</u>	<u>-</u>
Total Assets	<u>56,685</u>	<u>1,144,048</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	<u>2,627</u>	<u>169,454</u>
Total Liabilities	<u>2,627</u>	<u>169,454</u>
NET POSITION		
Net Investment in Capital Assets	12,476	-
Unrestricted Net Position	<u>41,582</u>	<u>974,594</u>
Total Net Position	<u>\$ 54,058</u>	<u>\$ 974,594</u>

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, 2022

	Business-Type Activities -	Governmental Activities -
	Total Enterprise Funds	Total Internal Service Funds
OPERATING REVENUES:		
Local and Intermediate Sources	\$ 64,588	\$ 359,049
Total Operating Revenues	<u>64,588</u>	<u>359,049</u>
OPERATING EXPENSES:		
Payroll Costs	37,272	58,309
Professional and Contracted Services	133	236,699
Supplies and Materials	22,556	9,641
Other Operating Costs	1,089	-
Depreciation Expense	<u>3,839</u>	<u>-</u>
Total Operating Expenses	<u>64,889</u>	<u>304,649</u>
Operating Income (Loss)	(301)	54,400
Total Net Position - September 1 (Beginning)	<u>54,359</u>	<u>920,194</u>
Total Net Position - August 31 (Ending)	<u><u>\$ 54,058</u></u>	<u><u>\$ 974,594</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, 2022

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	\$ 64,588	\$ 356,294
Cash Payments to Employees for Services	(37,272)	(58,309)
Cash Payments for Suppliers	(20,002)	(11,221)
Cash Payments for Other Operating Expenses	(1,222)	(228,382)
Net Cash Provided by Operating Activities	<u>6,092</u>	<u>58,382</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	<u>-</u>	<u>-</u>
Net Increase in Cash and Cash Equivalents	6,092	58,382
Cash and Cash Equivalents at Beginning of Year	<u>38,117</u>	<u>539,213</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 44,209</u></u>	<u><u>\$ 597,595</u></u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>		
<u>Provided by Operating Activities:</u>		
Operating Income (Loss):	\$ (301)	\$ 54,400
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	3,839	-
Effect of Increases and Decreases in Current Assets and Liabilities:		
Decrease (increase) in Investments	-	(2,755)
Increase (decrease) in Accounts Payable	<u>2,554</u>	<u>6,737</u>
Net Cash Provided by Operating Activities	<u><u>\$ 6,092</u></u>	<u><u>\$ 58,382</u></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, 2022

	Total Custodial Funds
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 291,759
Total Assets	<u>291,759</u>
LIABILITIES	
Accounts Payable	<u>18,215</u>
Total Liabilities	<u>18,215</u>
NET POSITION	
Restricted for Other Purposes	<u>273,544</u>
Total Net Position	<u><u>\$ 273,544</u></u>

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

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2022

	Total Custodial Funds
ADDITIONS:	
Miscellaneous Revenue - Student	\$ 359,517
Contributions, Gifts and Donations	30,618
Total Additions	<u>390,135</u>
DEDUCTIONS:	
Supplies and Materials	275,074
Other Deductions	128,474
Total Deductions	<u>403,548</u>
Change in Fiduciary Net Position	(13,413)
Total Net Position - September 1 (Beginning)	<u>286,957</u>
Total Net Position - August 31 (Ending)	<u><u>\$ 273,544</u></u>

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, 2022

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	110,474,485	(63,304,375)	47,170,110	
Furniture & Equipment	17,532,559	(12,231,809)	5,300,750	
Construction in progress	34,735,464	-	34,735,464	
Change in Net Assets	<u>164,620,193</u>	<u>(75,536,184)</u>		<u>89,084,009</u>
Long-term Liabilities <u>at the Beginning of the year</u>			<u>Payable at the Beginning of the Year</u>	
Bonds Payable			69,615,000	
Loans Payable			20,175,000	
Unamortized Premium/Discount			<u>9,419,053</u>	
Change in Net Position				<u>99,209,053</u>
Net Adjustment to Net Position				<u><u>(10,125,044)</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	15,759,144	15,759,144	15,759,144
Furniture & Equipment	7,005,006	7,005,006	7,005,006
Construction in Progress		-	-
Total Capital Outlay	<u>22,764,150</u>	<u>22,764,150</u>	<u>22,764,150</u>
Book value of asset dispositions	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>
<u>Debt Principal Payments</u>			
Bond Principal	2,635,000	2,635,000	2,635,000
Note Principal	<u>330,000</u>	<u>330,000</u>	<u>330,000</u>
Total Principal Payments	<u>2,965,000</u>	<u>2,965,000</u>	<u>2,965,000</u>
Total Adjustment to Net Position		<u>25,719,150</u>	<u>25,719,150</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	383,181	(383,181)	-
Uncollected taxes (assumed collectible) from Current Year Levy	323,682	323,682	323,682
Uncollected Taxes (assumed collectible) from Prior Year Levy	183,238	-	183,238
Effect of prior year tax entries	86,051	86,051	-
<u>Other Adjustments</u>			
Premium/discount amortization	<u>670,634</u>	<u>670,634</u>	<u>670,634</u>
Total		<u>697,186</u>	<u>1,177,554</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, 2022 <u>Fund Balance</u>
Appropriated Budget Funds - Food Service Special Revenue Fund	1,436,999
Nonappropriated Budget Funds	<u>235,164</u>
All Special Revenue Funds	<u><u>1,672,163</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, 2022, 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	14,546,049	100.00%	14,546,049	-	-	N/A			
Total Cash and Cash Equivalents	\$ 14,546,049	100.00%	\$ 14,546,049	\$ -	\$ -				

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 \$17,939,804.
- c. The highest combined balances of cash, savings, and time deposit accounts amounted to \$17,505,545 and occurred during the month of October, 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, 2022, 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, 2022, MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT had the following investments subject to the fair value measurement.

		Fair Value Measurements Using Quoted Prices in			Credit Rating				
		Balance at August 31, 2021	Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)					
Investment by Fair Value Level									
Debt Securities:									
U.S. Treasury Securities		1,052,917	1,052,917	-	-	AAAm			
Repurchase Agreement		263,229	263,229	-	-	AAAm			
Commercial Paper		24,460,318	-	24,460,318	-	AAAm			
Total Debt Securities		25,776,464	1,316,146	24,460,318	-				
Total		25,776,464	1,316,146	24,460,318	-				

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, 2022 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, 2022, were as follows:

	Property Taxes	Other Governments	Due From Other Funds	Other	Total Receivables
Governmental Activities:					
General Fund	963,148	2,169,516	-	-	3,132,664
Nonmajor Governmental Funds	304,152	1,306,753	-	-	1,610,905
Total-Governmental Activities	1,267,300	3,476,269	-	-	4,743,569
Amount not scheduled for collection during the subsequent year	760,380	-	-	-	760,380

Payables at August 31, 2022, 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	926,973	-	2,857,824	-	-	-	3,784,797
Major Capital Projects	2,466,905	-	-	-	-	-	2,466,905
Nonmajor Governmental Funds	395,153	-	-	-	183,121	-	578,274
Internal Service Fund	671	-	168,783	-	-	-	169,454
Total-Governmental Activities	3,789,702	-	3,026,607	-	183,121	-	6,999,430
Amount not scheduled for payment during the subsequent year	-	-	-	-	-	-	-
Business-type Activities:							
Nonmajor Enterprise Funds	2,627	-	-	-	-	-	2,627
Total Business-Type Activities	2,627	-	-	-	-	-	2,627
Amounts not scheduled for payment during the subsequent year	-	-	-	-	-	-	-

E. CAPITAL ASSET ACTIVITY

Capital asset activity for the District for the year ended August 31, 2022, was as follows:

	<u>Beginning</u> <u>Balance</u>	Primary Government			<u>Ending</u> <u>Balance</u>
		<u>Additions</u>	<u>Retirements</u>	<u>Adjustments</u>	
Governmental Activities:					
District:					
Land	1,877,685	-	(10,000)	-	1,867,685
Buildings and Improvements	110,474,485	49,671,019	(90,000)	-	160,055,504
Furniture and Equipment	17,532,559	7,005,006	-	-	24,537,565
Construction in progress	34,735,464	-	(33,911,875)	-	823,589
	<u>164,620,193</u>	<u>56,676,025</u>	<u>(34,011,875)</u>	<u>-</u>	<u>187,284,343</u>
Totals at Historic Cost					
Less Accumulated Depreciation					
for:					
Buildings and Improvements	(63,304,375)	(4,054,323)	90,000	-	(67,268,698)
Furniture and Equipment	(12,231,809)	(1,449,089)	-	-	(13,680,898)
	<u>(75,536,184)</u>	<u>(5,503,412)</u>	<u>90,000</u>	<u>-</u>	<u>(80,949,596)</u>
Total Accumulated Depreciation					
Governmental Activities Capital					
Assets, Net	<u>89,084,009</u>	<u>51,172,613</u>	<u>(33,921,875)</u>	<u>-</u>	<u>106,334,747</u>
Business-type Activities:					
Furniture and Equipment	62,422	-	-	-	62,422
Less Accumulated Depreciation					
Furniture and Equipment	(46,108)	(3,839)	-	-	(49,947)
Business-type Activities Capital Assets, Net:	<u>16,314</u>	<u>(3,839)</u>	<u>-</u>	<u>-</u>	<u>12,475</u>

Instruction	4,816,059
Student (Pupil) Transportation	329,418
Food Services	50,909
Curricular/Extracurricular Activities	23,987
General Administration	6,092
Plant Maintenance and Operations	107,731
Security and Monitoring Service	25,690
Data Processing Services	143,526
Total Depreciation Expense	<u>5,503,412</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 \$4,995,000. 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 \$4,465,000.

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 \$12,920,000.

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 \$5,290,000.

F. BONDS PAYABLE cont'd

A summary of changes in general long-term debt for the year ended August 31, 2022 is as follows:

Description	Interest Rate Payable	Amounts Original Issue	Interest Current Year	Amounts Outstanding 9/1/2021	Issued/ Interest Accreted Current Year	Adjustments	Refunded/ Retired Current Year	Amounts Outstanding 8/31/2022
Unlimited Tax Refunding								
Bonds Series 2017	Variable	9,125,000	171,463	5,425,000	-	-	(1,460,000)	3,965,000
Unlimited Tax School Building, Series 2019	Variable	48,420,000	2,001,850	47,265,000	-	-	(730,000)	46,535,000
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	173,050	5,140,000	-	-	(445,000)	4,695,000
Unamortized Premium/Discount		10,130,822	-	9,155,142	-	-	(644,199)	8,510,943
TOTAL			<u>2,671,163</u>	<u>78,770,142</u>	<u>-</u>	<u>-</u>	<u>(3,279,199)</u>	<u>75,490,943</u>

Debt service requirements are as follows:

Year Ended	General Obligations		
	Principal	Interest	Total Requirements
<u>August 31</u>			
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	3,150,000	2,196,566	5,346,566
2028-2032	18,025,000	8,952,858	26,977,858
2033-2037	23,510,000	4,587,000	28,097,000
2038-2042	10,805,000	436,500	11,241,500
	<u>66,980,000</u>	<u>25,915,392</u>	<u>92,895,392</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 9/1/2021	Issued	Retired	Outstanding 8/31/2022
Qualified Zone Academy Maintenance Tax Notes, Series 2012	9,000,000	-	-	9,000,000
Maintenance Tax Notes, Series 2014	1,045,000	-	(115,000)	930,000
Maintenance Tax Notes, Series 2016	10,130,000	-	(215,000)	9,915,000
Unamortized Premium/Discount	263,911	-	(26,435)	237,476
Total	20,438,911	-	(356,435)	20,082,476

Interest of \$413,435 thousand was incurred for the year ended August 31, 2022, on loans payable.

Year Ending August 31,	Principal	Interest	Total Requirements
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	390,000	326,635	716,635
2028-2032	13,405,000	1,295,050	14,700,050
2033-2037	4,605,000	368,533	4,973,533
2038-2042			-
Total	19,845,000	3,460,183	23,305,183

H. CHANGES IN LONG-TERM LIABILITIES

Long-term activity for the year ended August 31, 2022 was as follows:

	Beginning Balance	Additions	Reductions	Adjustments	Ending Balance	Due Within One Year
Governmental Activities:						
Bonds and Notes Payable:						
General Obligation Bonds	78,770,142	-	(3,279,199)	-	75,490,943	2,715,000
Notes payable	20,438,911	-	(356,435)	-	20,082,476	345,000
Capital leases	-	-	-	-	-	-
Total Bonds and Notes Payable	<u>99,209,053</u>	<u>-</u>	<u>(3,635,634)</u>	<u>-</u>	<u>95,573,419</u>	<u>3,060,000</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, 2022 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, 2022 were as follows:

Total contributions for health care:	1,433,700
Less alternate plan contributions	-
Less COBRA	-
2021-2022 maintenance of effort	<u>1,433,700</u>

During the year ended August 31, 2022 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, 2022	Year Ended August 31, 2021
Unpaid claims, beginning of the year	160,466	154,941
Incurred claims (including IBNR'S)	27,494	25,571
Claim Payments	<u>(19,177)</u>	<u>(20,046)</u>
Unpaid claims, end of fiscal year	<u>168,783</u>	<u>160,466</u>

J. DEFINED BENEFIT PENSION PLAN

Plan Description. MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT participates in a cost-sharing multiple-employer defined benefit pension plan that has a special funding situation. The plan is administered by the Board of Trustees of 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 Annual Comprehensive 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 retirement, disability, and death benefits. Membership in the plan includes 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 exempt from membership under Texas Government Code, Title 8, Section 822.002. 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. The pension became actuarially sound in May 2019 when the 86th Texas Legislature approved the TRS Pension Reform Bill (SB12) that provided gradual contribution increases from the state, participating employers, and active employees for the fiscal years 2019 through 2024.

Contributions. Contribution requirements are established or amended pursuant to the following state laws:

- . Article 16, Section 67 of the Texas Constitution requires the Texas Legislature to establish a member contribution rate of not less than 6 percent of the member's annual compensation and a state contribution rate of not less than 6 percent and not more than 10 percent 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 amortization period of TRS' unfunded actuarial liability to greater than 31 years or, if the amortization period already exceeds 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.

As the non-employer contributing entity for public education and junior colleges, 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 plan during the fiscal year reduced by the employer contributions. Employers (including public schools) are required to pay the employer contribution rate in 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 sources or a privately sponsored source.

In addition to the employer contributions listed above, employers are required to pay surcharges in the following cases:

- All public schools, charter schools and regional education service centers must contribute 1.6 percent of the member's salary beginning in fiscal year 2021, gradually increasing to 2 percent in fiscal year 2025. The surcharge for fiscal year 2022 is 1.7 percent.
- When employing a retiree of the Teacher Retirement System the employer shall pay an amount equal to the member contribution and the state contribution as an employment after retirement surcharge.

The following table shows contribution rates by type of contributor for the fiscal years 2021 and 2022.

<u>Contribution Rates</u>		
	<u>2021</u>	<u>2022</u>
Member	7.70%	8.00%
Non-Employer Contributing Entity (State)	7.50%	7.75%
Employers	7.50%	7.50%
District's 2022 FY Employer Contributions	\$	1,852,976
District's 2022 FY Member Contributions	\$	2,970,227
Measurement Year NECE On-Behalf Contributions	\$	1,962,018

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).

Net Pension Liability

Components of the net pension liability of the plan as of August 31, 2021 are disclosed below: (From TRS Annual Comprehensive Financial Report 2021, p. 86.)

Table 11.E.1: Net Pension Liability	
Components of Liability	Amount
Total Pension Liability	\$ 227,273,463,630
Less: Plan Fiduciary Net Position	(201,807,002,496)
Net Pension Liability	\$ 25,466,461,134
Net Position as Percentage of Total Pension Liability	88.79 %

Actuarial Assumptions.

Roll Forward - The actuarial valuation was performed as of August 31, 2020. Update procedures were used to roll forward the total pension liability to August 31, 2021.

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 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 active mortality rates were based on 90 percent of the RP-2014 Employee Mortality Tables for males and females, also with full generational mortality.

The long-term expected rate of return on pension plan investments is 7.25 percent. The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The following table discloses the assumptions that were applied to this measurement period. (From TRS Annual Comprehensive Financial Report 2021, p. 87.)

Table 11.F.1: Actuarial Methods and Assumptions	
Component	Result
Valuation Date	August 31, 2020 rolled forward to August 31, 2021
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.25%
Long-term Expected Rate	7.25%
Municipal Bond Rate as of August 2020	1.95% - The source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index"
Last year ending August 31 in Projection Period (100 years)	2120
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, 2020. For a full description of these assumptions please see the TRS actuarial valuation report dated November 9, 2020.

Discount Rate. A single discount rate of 7.25 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension plan investments of 7.25 percent. 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 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 9.55 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 payments 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 System's target asset allocation as of August 31, 2021, are presented in the following table from the TRS Annual Comprehensive Financial Report for 2021, p. 53.

Asset Class*	Target Allocation %**	Long-Term Expected Geometric Real Rate of Return***	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.0 %	3.6 %	0.94 %
Non-US Developed	13.0	4.4	0.83
Emerging Markets	9.0	4.6	0.74
Private Equity	14.0	6.3	1.36
Stable Value			
Government Bonds	16.0 %	(0.2)%	0.01 %
Absolute Return	0.0	1.1	0.00
Stable Value Hedge Funds	5.0	2.2	0.12
Real Return			
Real Estate	15.0 %	4.5 %	1.00 %
Energy, Natural Resources & Infrastructure	6.0	4.7	0.35
Commodities	0.0	1.7	0.00
Risk Parity	8.0 %	2.8 %	0.28 %
Asset Allocation Leverage			
Cash	2.0 %	(0.7)%	(0.01) %
Asset Allocation Leverage	(6.0)	(0.5)	0.03
Inflation Expectation			2.20 %
Volatility Drag****			(0.95) %
Expected Return	100.0 %		6.90 %
*Absolute Return includes Credit Sensitive Investments.			
**Target allocations are based on the FY2021 policy model.			
***Capital Market Assumptions come from Aon Hewitt (as of 8/31/2021).			
****The volatility drag results from the conversion between arithmetic and geometric mean returns.			

Discount Rate Sensitivity Analysis. The following table presents the District's net pension liability of the plan using the discount rate of 7.25 percent, and what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate.

	1% Decrease in Discount Rate (6.25%)	Current Single Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
District's proportionate share of the net pension liability:	\$ 16,581,221	\$ 7,586,733	\$ 291,905

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At August 31, 2022, MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT reported a liability of \$7,586,733 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	\$ 7,586,733
State's proportionate share that is associated with the District	<u>11,708,481</u>
Total	<u>\$19,295,214</u>

The net pension liability was measured as of August 31, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2020 rolled forward to August 31, 2021. 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, 2020 through August 31, 2021.

At August 31, 2021 the employer's proportion of the collective net pension liability was .002979% which was an increase of 0.8% from its proportion measured as of August 31, 2020.

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

Changes in Benefits - There were no changes in benefits.

For the year ended August 31, 2022, MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT recognized pension expense of \$1,008,160 and revenue of \$1,952,018 for support provided by the State in the Government Wide Statement of Activities.

At August 31, 2022, 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	\$ 12,696	\$ 534,112
Changes in actuarial assumptions	2,681,762	1,169,018
Net Difference between projected and actual investment earnings	-	6,361,377
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	359,961	623,085
Contributions paid to TRS subsequent to the measurement date [to be calculated by employer]	1,852,976	-
Total	\$ 4,907,395	\$ 8,687,592

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 pensions will be recognized by the district in pension expense as follows:

Year ended June 30:	Pension Expense Amount
2023	\$ (986,973)
2024	(1,008,479)
2025	(1,562,816)
2026	(1,995,470)
2027	(70,261)
Thereafter	(9,174)

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. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052.

OPEB Plan Fiduciary Net Position. Detailed 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, 2021 as presented in the TRS 2021 ACFR (p. 76) are as follows:

Table 9.E.1: Net OPEB Liability	
Components of Liability	Amount
Total OPEB Liability	\$ 41,113,711,083
Less: Plan Fiduciary Net Position	(2,539,242,470)
Net OPEB Liability	\$ 38,574,468,613
Net Position as a Percentage of Total OPEB Liability	6.18 %

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 \$271,311,000 as of August 31, 2021. 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.

At the inception of the plan, funding was projected to last 10 years through fiscal year 1995. The original funding was sufficient to maintain the solvency of the fund through fiscal year 2000. Since that time, appropriations and contributions have been established to fund the benefits for each successive biennium.

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 0.65% of salary. Section 1575.204 establishes a public school contribution rate of not less than 0.25% or not more than 0.75% 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 2021. The following table shows contributions to the TRS-Care plan by type of contributor.

<u>Contribution Rates</u>		
	<u>2021</u>	<u>2022</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 2022 FY Employer Contributions		\$ 255,959
District's 2022 FY Member Contributions		\$ 241,319
Measurement Year NECE On-Behalf Contributions		\$ 463,213

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 \$2,208,137 for fiscal year 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 was in fiscal year 2021.

Actuarial Assumptions. The actuarial valuation was performed as of August 31, 2020. Update procedures were used to roll forward the total OPEB liability to August 31, 2021.

In addition to the demographic assumptions: salary increases and inflation rates used for members of TRS are identical to the assumptions employed in the August 31, 2021 annual pension actuarial valuation.

The rates of mortality, retirement, termination, and disability incidence are identical to the assumptions used to value the pension liability of the Teacher Retirement System of Texas (TRS). The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

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. The rates were projected on a fully generational basis using the ultimate improvement rates from mortality projection scale MP-2018.

Election Rates for Normal retirement - 65 percent participation rate prior to age 65 and 40 percent participation rate

after age 65. Election Rates for pre-65 Retirees - 25 percent are assumed to discontinue coverage at age 65.

Table 9.F.1: Actuarial Methods and Assumptions	
Component	Result
Valuation Date	August 31, 2020 rolled forward to August 31, 2021
Actuarial Cost Method	Individual Entry-Age Normal
Inflation	2.30 %
Single Discount Rate	1.95 % as of August 31, 2021
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Salary Increases	3.05 % to 9.05 %, including inflation
Ad Hoc Post-Employment Benefit Changes	None

The initial medical trend rates were 8.50 percent for Medicare retirees and 7.10 percent for non-Medicare retirees. There was an initial prescription drug trend rate of 8.50 percent for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25 percent over a period of 12 years.

Discount Rate. A single discount rate of 1.95 percent was used to measure the total OPEB liability. This was a decrease of .38 percent in the discount rate since the previous year. The Discount Rate can be found in the 2021 TRS ACFR on page 77. 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 (1.95%) in measuring the net OPEB liability.

	1% Decrease in Discount Rate (.95%)	Current Single Discount Rate (1.95%)	1% Increase in Discount Rate (2.95%)
District's proportionate share of the Net OPEB Liability:	\$ 20,592,129	\$ 17,071,474	\$ 14,300,599

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:	\$ 13,827,476	\$ 17,071,474	\$ 21,424,556

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs. At August 31, 2022, MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT reported a liability of \$17,071,474 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	\$ 17,071,474
State's proportionate share that is associated with the District	<u>22,871,970</u>
Total	<u>\$39,943,444</u>

The net OPEB liability was measured as of August 31, 2021 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, 2020 thru August 31, 2021.

At August 31, 2021 the employer's proportion of the collective net OPEB liability was 0.000443% compared to the 0.0000464% as of August 31, 2020. This is a decrease of 4.5%.

Changes in Actuarial Assumptions Since the Prior Actuarial Valuation – The discount rate changed from 2.33 percent as of August 31, 2020 to 1.95 percent as of August 31, 2021. This change increased 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, 2022, MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT recognized OPEB expense of \$(418,671) and revenue of \$463,213 for support provided by the State.

At August 31, 2022, 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	\$735,008	\$8,263,788
Changes in actuarial assumptions	1,890,866	3,610,301
Net Difference between projected and actual investment earnings	18,534	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	880,348	1,176,065
Contributions paid to TRS subsequent to the measurement date [to be calculated by employer]	278,459	-
Total	\$3,803,215	\$13,050,154

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
2023	\$ (1,785,261)
2024	(1,785,679)
2025	(1,785,565)
2026	(1,336,200)
2027	(727,835)
Thereafter	(2,104,858)

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 2020 2021 and 2022. 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, 2022, 2021, and 2020 the subsidy payments received by TRS-Care on-behalf of the District were \$158,905, \$160,926 and \$153,719 respectively. The information for the year ended August 31, 2022 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	-	6,129	-	6,129
State Instructional Materials	-	36,514	-	36,514
Pre K Expansion	-	53,162	-	53,162
CACFP	-	78,960	-	78,960
SSA Special Education	-	114,948	-	114,948
Others	33,718	4,419	-	38,137
TOTAL	33,718	294,132	-	327,850

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, 2022 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	2,014,745	-	154,771	2,169,516
Special Revenue	164,133	1,142,620	-	1,306,753
Debt Service	-	-	-	-
Total	2,178,878	1,142,620	154,771	3,476,269

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	14,590,217	-	4,749,324	-	19,339,541
Penalties, Interest and Other Tax-related Income	224,036	-	61,290	-	285,326
Investment Income	223,039	4,354	16,821	54,512	298,726
Food Sales	-	164,632	-	-	164,632
Tuition and Fees	85,629	13,834	-	-	99,463
Other	73,259	11,326	-	-	84,585
Co-curricular Student Activities	134,816	-	-	-	134,816
Shared Service	-	2,234,396	-	-	2,234,396
Rents	16,056	-	-	-	16,056
Insurance Recovery	27,232	-	-	-	27,232
Foundations and gifts	-	96,443	-	-	96,443
Total	15,374,284	2,524,985	4,827,435	54,512	22,781,216

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 2022, 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: \$2,234,396

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, 2022.

T. LITIGATION

The District has no pending litigation at August 31, 2022.

U. SUBSEQUENT EVENTS

Administration has evaluated subsequent events through October 20, 2022 the financial statement issuance date.

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, 2022

	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019
District's Proportion of the Net Pension Liability (Asset)	0.000297911%	0.000295544%	0.000313449%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 7,586,733	\$ 15,828,726	\$ 16,294,085
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	11,708,481	25,320,217	23,095,454
Total	<u>\$ 19,295,214</u>	<u>\$ 41,148,943</u>	<u>\$ 39,389,539</u>
District's Covered Payroll	\$ 37,127,824	\$ 35,853,518	\$ 35,578,953
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	20.43%	38.46%	45.80%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.79%	75.54%	75.24%

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, 2021 for year 2022, August 31, 2020 for year 2021, 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.

FY 2019 Plan Year 2018	FY 2018 Plan Year 2017	FY 2017 Plan Year 2016	FY 2016 Plan Year 2015	FY 2015 Plan Year 2014
0.000303622%	0.000384677%	0.000300686%	0.000320522%	0.000211134%
\$ 16,712,097	\$ 10,157,298	\$ 11,362,494	\$ 11,330,026	5,639,681
24,776,808	15,702,728	18,413,613	18,259,843	15,718,531
\$ 41,488,905	\$ 25,860,026	\$ 29,776,107	\$ 29,589,869	\$ 21,358,212
\$ 32,929,070	\$ 32,206,028	\$ 31,500,449	\$ 30,371,987	30,308,586
50.75%	31.60%	36.07%	37.30%	26.41%
73.74%	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 2022

	2022	2021	2020
Contractually Required Contribution	\$ 1,852,976	\$ 1,553,241	\$ 1,519,513
Contribution in Relation to the Contractually Required Contribution	(1,852,976)	(1,553,241)	(1,519,513)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 37,127,824	\$ 35,853,518	\$ 35,578,953
Contributions as a Percentage of Covered Payroll	4.99%	4.33%	4.27%

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.

2019	2018	2017	2016	2015
\$ 1,381,450	\$ 1,332,176	\$ 1,225,680	\$ 1,173,069	\$ 1,167,656
(1,381,450)	(1,332,176)	(1,225,680)	(1,173,069)	(1,167,656)
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 32,929,070	\$ 32,479,255	\$ 31,500,449	\$ 30,371,987	\$ 30,308,586
4.20%	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, 2022

	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.000442559%	0.000462876%	0.000464151%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 17,071,474	\$ 17,596,002	\$ 21,950,289
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	22,871,970	23,644,809	29,167,022
Total	<u>\$ 39,943,444</u>	<u>\$ 41,240,811</u>	<u>\$ 51,117,311</u>
District's Covered Payroll	\$ 37,127,824	\$ 35,853,518	\$ 35,578,953
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	45.98%	49.08%	61.69%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	6.18%	4.99%	2.66%

Note: GASB Codification, Vol. 2, P50.238 states that the information on this schedule should be determined as of the measurement date. The amounts reported for FY 2022 are for measurement date August 31, 2021. 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 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.

FY 2019 Plan Year 2018		FY 2018 Plan Year 2017	
0.000453682%		0.004407146%	
\$	22,652,777	\$	19,729,365
25,105,087		22,790,449	
\$	47,757,864	\$	42,519,814
32,929,070		32,206,028	
68.81%		61.40%	
1.57%		0.91%	

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR FISCAL YEAR 2022

	2022	2021	2020
Contractually Required Contribution	\$ 278,459	\$ 268,901	\$ 266,845
Contribution in Relation to the Contractually Required Contribution	(278,459)	(268,901)	(266,845)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 37,127,824	\$ 35,853,518	\$ 35,578,953
Contributions as a Percentage of Covered Payroll	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.

2019		2018	
\$	261,958	\$	244,934
	(261,958)		(244,934)
\$	-	\$	-
\$	32,929,070	\$	32,479,255
	0.75%		0.75%

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY
INFORMATION FOR THE YEAR ENDED AUGUST 31, 2022

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 2.33 percent as of August 31, 2020 to 1.95 percent, as of August 31, 2021. 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, 2022

Data Control Codes		204 Title VI Part A	205 Head Start	211 ESEA I, A Improving Basic Program	240 National Breakfast and Lunch Program
ASSETS					
1110	Cash and Cash Equivalents	\$ (23,834)	\$ (85,261)	\$ (427,815)	\$ 1,344,825
1120	Investments - Current	-	-	-	-
1210	Property Taxes - Current	-	-	-	-
1230	Allowance for Uncollectible Taxes	-	-	-	-
1240	Due from Other Governments	31,962	-	529,284	216,016
1410	Prepayments	-	93,331	-	-
1000	Total Assets	<u>\$ 8,128</u>	<u>\$ 8,070</u>	<u>\$ 101,469</u>	<u>\$ 1,560,841</u>
LIABILITIES					
2110	Accounts Payable	\$ 8,128	\$ 8,070	\$ 101,469	\$ 117,713
2180	Due to Other Governments	-	-	-	-
2300	Unearned Revenue	-	-	-	6,129
2000	Total Liabilities	<u>8,128</u>	<u>8,070</u>	<u>101,469</u>	<u>123,842</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	-	-	-	1,436,999
3480	Retirement of Long-Term Debt	-	-	-	-
3490	Other Restricted Fund Balance	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,436,999</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 8,128</u>	<u>\$ 8,070</u>	<u>\$ 101,469</u>	<u>\$ 1,560,841</u>

242 Summer Feeding Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	270 ESEA V, B,2 Rural & Low Income	280 ESSER III Homelss Children	281 ESSER II CRRSA Act Supplemental	282 ESSER III ARP Act
\$ -	\$ -	\$ (26,981)	\$ (43,083)	\$ (23,359)	\$ (7,766)	\$ -	\$ (45,805)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	27,348	60,520	23,359	8,918	-	66,335
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 367</u>	<u>\$ 17,437</u>	<u>\$ -</u>	<u>\$ 1,152</u>	<u>\$ -</u>	<u>\$ 20,530</u>
\$ -	\$ -	\$ 367	\$ 17,437	\$ -	\$ 1,152	\$ -	\$ 20,530
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>367</u>	<u>17,437</u>	<u>-</u>	<u>1,152</u>	<u>-</u>	<u>20,530</u>
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 367</u>	<u>\$ 17,437</u>	<u>\$ -</u>	<u>\$ 1,152</u>	<u>\$ -</u>	<u>\$ 20,530</u>

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2022

Data Control Codes		284	286	287	288
		Early Headstart	Headstart CARES	Headstart CARES	CACFP
ASSETS					
1110	Cash and Cash Equivalents	\$ (79,163)	\$ -	\$ (12,942)	\$ 80,955
1120	Investments - Current	-	-	-	-
1210	Property Taxes - Current	-	-	-	-
1230	Allowance for Uncollectible Taxes	-	-	-	-
1240	Due from Other Governments	-	-	47,660	-
1410	Prepayments	79,328	-	-	-
1000	Total Assets	<u>\$ 165</u>	<u>\$ -</u>	<u>\$ 34,718</u>	<u>\$ 80,955</u>
LIABILITIES					
2110	Accounts Payable	\$ 165	\$ -	\$ 34,718	\$ 1,995
2180	Due to Other Governments	-	-	-	-
2300	Unearned Revenue	-	-	-	78,960
2000	Total Liabilities	<u>165</u>	<u>-</u>	<u>34,718</u>	<u>80,955</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>\$ 165</u>	<u>\$ -</u>	<u>\$ 34,718</u>	<u>\$ 80,955</u>

289 Other Federal Special Revenue Funds	313 SSA IDEA, Part B Formula	314 SSA IDEA, Part B Preschool	364 SSA - IDEA B Formula ARP Act	365 SSA - IDEA B Preschool ARP Act	397 Advanced Placement Incentives	410 State Instructional Materials	427 Pre-K
\$ -	\$ (5,821)	\$ (3,936)	\$ (38,037)	\$ -	\$ 197	\$ 36,979	\$ 53,162
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	76,914	3,936	50,388	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 71,093</u>	<u>\$ -</u>	<u>\$ 12,351</u>	<u>\$ -</u>	<u>\$ 197</u>	<u>\$ 36,979</u>	<u>\$ 53,162</u>
\$ -	\$ 23,663	\$ -	\$ 12,351	\$ -	\$ 197	\$ 465	\$ -
-	47,430	-	-	-	-	-	-
-	-	-	-	-	-	36,514	53,162
<u>-</u>	<u>71,093</u>	<u>-</u>	<u>12,351</u>	<u>-</u>	<u>197</u>	<u>36,979</u>	<u>53,162</u>
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ 71,093</u>	<u>\$ -</u>	<u>\$ 12,351</u>	<u>\$ -</u>	<u>\$ 197</u>	<u>\$ 36,979</u>	<u>\$ 53,162</u>

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2022

Data Control Codes		428 TWC Child Care Relief	429 Other State Special Revenue Funds	437 SSA Special Education	461 Campus Activity Funds
ASSETS					
1110	Cash and Cash Equivalents	\$ 14,846	\$ 1,400	\$ (30,016)	\$ 244,730
1120	Investments - Current	-	-	-	-
1210	Property Taxes - Current	-	-	-	-
1230	Allowance for Uncollectible Taxes	-	-	-	-
1240	Due from Other Governments	13,784	-	150,329	-
1410	Prepayments	-	-	-	-
1000	Total Assets	<u>\$ 28,630</u>	<u>\$ 1,400</u>	<u>\$ 120,313</u>	<u>\$ 244,730</u>
LIABILITIES					
2110	Accounts Payable	\$ 28,630	\$ -	\$ 5,365	\$ 9,566
2180	Due to Other Governments	-	-	-	-
2300	Unearned Revenue	-	1,400	114,948	-
2000	Total Liabilities	<u>28,630</u>	<u>1,400</u>	<u>120,313</u>	<u>9,566</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	-	-	-	235,164
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>235,164</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 28,630</u>	<u>\$ 1,400</u>	<u>\$ 120,313</u>	<u>\$ 244,730</u>

498 MP Education Foundation	499 Other Local Special Revenue Funds	Total Nonmajor Special Revenue Funds	599 Debt Service Fund	Total Nonmajor Governmental Funds
\$ 3,172	\$ 3,019	\$ 929,466	\$ 159,998	\$ 1,089,464
-	-	-	2,176,766	2,176,766
-	-	-	304,152	304,152
-	-	-	(182,491)	(182,491)
-	-	1,306,753	-	1,306,753
-	-	172,659	-	172,659
<u>\$ 3,172</u>	<u>\$ 3,019</u>	<u>\$ 2,408,878</u>	<u>\$ 2,458,425</u>	<u>\$ 4,867,303</u>
\$ 3,172	\$ -	\$ 395,153	\$ -	\$ 395,153
-	-	47,430	135,691	183,121
-	3,019	294,132	-	294,132
<u>3,172</u>	<u>3,019</u>	<u>736,715</u>	<u>135,691</u>	<u>872,406</u>
-	-	-	121,661	121,661
<u>-</u>	<u>-</u>	<u>-</u>	<u>121,661</u>	<u>121,661</u>
-	-	1,436,999	-	1,436,999
-	-	-	2,201,073	2,201,073
-	-	235,164	-	235,164
<u>-</u>	<u>-</u>	<u>1,672,163</u>	<u>2,201,073</u>	<u>3,873,236</u>
<u>\$ 3,172</u>	<u>\$ 3,019</u>	<u>\$ 2,408,878</u>	<u>\$ 2,458,425</u>	<u>\$ 4,867,303</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, 2022

Data Control Codes	204 Title VI Part A	205 Head Start	211 ESEA I, A Improving Basic Program	240 National Breakfast and Lunch Program
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ 168,473
5800 State Program Revenues	-	-	-	213,342
5900 Federal Program Revenues	118,106	1,900,300	1,704,059	3,717,399
5020 Total Revenues	118,106	1,900,300	1,704,059	4,099,214
EXPENDITURES:				
Current:				
0011 Instruction	35,894	1,117,756	1,461,738	-
0012 Instructional Resources and Media Services	-	9,061	-	-
0013 Curriculum and Instructional Staff Development	43,872	-	49,814	-
0021 Instructional Leadership	-	142,296	-	-
0023 School Leadership	-	100,951	87,288	-
0031 Guidance, Counseling, and Evaluation Services	38,340	98,517	93,926	-
0033 Health Services	-	83,917	-	-
0034 Student (Pupil) Transportation	-	109,794	-	-
0035 Food Services	-	-	-	3,324,580
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	28,144	-	15,296
0052 Security and Monitoring Services	-	1,285	-	-
0053 Data Processing Services	-	30,746	-	-
0061 Community Services	-	177,833	11,293	-
Debt Service:				
0071 Principal on Long-Term Liabilities	-	-	-	-
0072 Interest on Long-Term Liabilities	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	-	-
6030 Total Expenditures	118,106	1,900,300	1,704,059	3,339,876
1200 Net Change in Fund Balance	-	-	-	759,338
0100 Fund Balance - September 1 (Beginning)	-	-	-	677,661
1300 Prior period adjustment	-	-	-	-
3000 Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ -	\$ 1,436,999

242 Summer Feeding Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	270 ESEA V, B,2 Rural & Low Income	280 ESSER III Homelss Children	281 ESSER II CRRSA Act Supplemental	282 ESSER III ARP Act
\$ 513	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
46,996	79,927	213,625	263,162	130,846	8,918	267,303	4,870,017
47,509	79,927	213,625	263,162	130,846	8,918	267,303	4,870,017
-	79,927	143,691	235,294	130,846	8,918	-	3,211,575
-	-	-	-	-	-	-	7,609
-	-	69,934	-	-	-	-	4,565
-	-	-	27,868	-	-	-	24,348
-	-	-	-	-	-	-	80,631
-	-	-	-	-	-	-	564,216
-	-	-	-	-	-	-	803,076
-	-	-	-	-	-	-	-
47,509	-	-	-	-	-	-	91,844
-	-	-	-	-	-	-	4,565
-	-	-	-	-	-	-	21,283
-	-	-	-	-	-	267,303	30,435
-	-	-	-	-	-	-	10,652
-	-	-	-	-	-	-	7,609
-	-	-	-	-	-	-	7,609
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
47,509	79,927	213,625	263,162	130,846	8,918	267,303	4,870,017
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2022

Data Control Codes	284	286	287	288
	Early Headstart	Headstart CARES	Headstart CARES	CACFP
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	1,180,839	100,825	250,483	52,868
5020 Total Revenues	1,180,839	100,825	250,483	52,868
EXPENDITURES:				
Current:				
0011 Instruction	712,427	100,968	84,439	-
0012 Instructional Resources and Media Services	9,060	-	-	-
0013 Curriculum and Instructional Staff Development	-	-	-	-
0021 Instructional Leadership	119,190	-	-	-
0023 School Leadership	52,856	-	-	-
0031 Guidance, Counseling, and Evaluation Services	100,718	-	53,897	-
0033 Health Services	56,809	(126)	18,616	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	52,868
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	35,114	-	88,891	-
0052 Security and Monitoring Services	12,003	-	-	-
0053 Data Processing Services	30,746	-	-	-
0061 Community Services	51,916	(17)	4,640	-
Debt Service:				
0071 Principal on Long-Term Liabilities	-	-	-	-
0072 Interest on Long-Term Liabilities	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	-	-
6030 Total Expenditures	1,180,839	100,825	250,483	52,868
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - September 1 (Beginning)	-	-	-	-
1300 Prior period adjustment	-	-	-	-
3000 Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ -	\$ -

289 Other Federal Special Revenue Funds	313 SSA IDEA, Part B Formula	314 SSA IDEA, Part B Preschool	364 SSA - IDEA B Formula ARP Act	365 SSA - IDEA B Preschool ARP Act	397 Advanced Placement Incentives	410 State Instructional Materials	427 Pre-K
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	13,834
-	-	-	-	-	370	253,867	3,165
8,847	1,128,682	38,385	50,388	-	-	-	-
8,847	1,128,682	38,385	50,388	-	370	253,867	16,999
8,847	244,398	-	50,388	-	370	253,867	16,999
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	77,161	-	-	-	-	-	-
-	18,830	-	-	-	-	-	-
-	749,609	38,385	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	1,000	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	37,684	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
8,847	1,128,682	38,385	50,388	-	370	253,867	16,999
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2022

Data Control Codes	428 TWC Child Care Relief	429 Other State Special Revenue Funds	437 SSA Special Education	461 Campus Activity Funds
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ 2,234,396	\$ -
5800 State Program Revenues	327,003	81,880	-	-
5900 Federal Program Revenues	-	-	-	-
5020 Total Revenues	327,003	81,880	2,234,396	-
EXPENDITURES:				
Current:				
0011 Instruction	300,218	-	1,934,433	-
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	-	-	-
0021 Instructional Leadership	-	-	257,619	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling, and Evaluation Services	-	-	-	-
0033 Health Services	5,867	-	-	-
0034 Student (Pupil) Transportation	-	-	15,012	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	(45,770)
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	20,918	-	7,500	-
0052 Security and Monitoring Services	-	81,880	-	-
0053 Data Processing Services	-	-	-	-
0061 Community Services	-	-	4,035	-
Debt Service:				
0071 Principal on Long-Term Liabilities	-	-	-	-
0072 Interest on Long-Term Liabilities	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	15,797	-
6030 Total Expenditures	327,003	81,880	2,234,396	(45,770)
1200 Net Change in Fund Balance	-	-	-	45,770
0100 Fund Balance - September 1 (Beginning)	-	-	-	188,794
1300 Prior period adjustment	-	-	-	600
3000 Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ -	\$ 235,164

498	499	Total	599	Total
MP	Other Local	Nonmajor	Debt	Nonmajor
Education	Special	Special	Service	Governmental
Foundation	Revenue Funds	Revenue Funds	Fund	Funds
\$ 96,443	\$ 11,326	\$ 2,524,985	\$ 4,827,435	\$ 7,352,420
-	-	879,627	697,178	1,576,805
-	-	16,131,975	-	16,131,975
96,443	11,326	19,536,587	5,524,613	25,061,200
96,443	-	10,229,436	-	10,229,436
-	-	25,730	-	25,730
-	-	168,185	-	168,185
-	-	648,482	-	648,482
-	-	340,556	-	340,556
-	-	1,737,608	-	1,737,608
-	-	968,159	-	968,159
-	-	124,806	-	124,806
-	11,326	3,528,127	-	3,528,127
-	-	(41,205)	-	(41,205)
-	-	22,283	-	22,283
-	-	493,601	-	493,601
-	-	105,820	-	105,820
-	-	106,785	-	106,785
-	-	257,309	-	257,309
-	-	-	2,635,000	2,635,000
-	-	-	2,671,163	2,671,163
-	-	-	(3,139)	(3,139)
-	-	15,797	-	15,797
96,443	11,326	18,731,479	5,303,024	24,034,503
-	-	805,108	221,589	1,026,697
-	-	866,455	1,979,484	2,845,939
-	-	600	-	600
\$ -	\$ -	\$ 1,672,163	\$ 2,201,073	\$ 3,873,236

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 AUGUST 31, 2022

	752	753	Total Internal Service Funds
	Print Shop	Insurance	
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 20,205	\$ 577,390	\$ 597,595
Investments - Current	-	546,453	546,453
Total Current Assets	<u>20,205</u>	<u>1,123,843</u>	<u>1,144,048</u>
Noncurrent Assets:			
Capital Assets:			
Furniture and Equipment	7,994	-	7,994
Depreciation on Furniture and Equipment	<u>(7,994)</u>	<u>-</u>	<u>(7,994)</u>
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>20,205</u>	<u>1,123,843</u>	<u>1,144,048</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	<u>671</u>	<u>168,783</u>	<u>169,454</u>
Total Liabilities	<u>671</u>	<u>168,783</u>	<u>169,454</u>
NET POSITION			
Unrestricted Net Position	<u>19,534</u>	<u>955,060</u>	<u>974,594</u>
Total Net Position	<u><u>\$ 19,534</u></u>	<u><u>\$ 955,060</u></u>	<u><u>\$ 974,594</u></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, 2022

	752	753	Total Internal Service Funds
	Print Shop	Insurance	
OPERATING REVENUES:			
Local and Intermediate Sources	\$ 29,067	\$ 329,982	\$ 359,049
Total Operating Revenues	29,067	329,982	359,049
OPERATING EXPENSES:			
Payroll Costs	(2,214)	60,523	58,309
Professional and Contracted Services	18,159	218,540	236,699
Supplies and Materials	9,641	-	9,641
Total Operating Expenses	25,586	279,063	304,649
Operating Income	3,481	50,919	54,400
Total Net Position - September 1 (Beginning)	16,053	904,141	920,194
Total Net Position - August 31 (Ending)	\$ 19,534	\$ 955,060	\$ 974,594

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2022

	752	753	
	Print Shop	Insurance	Total Internal Service Funds
<u>Cash Flows from Operating Activities:</u>			
Cash Received from User Charges	\$ 29,067	\$ 327,227	\$ 356,294
Cash Payments to Employees for Services	2,214	(60,523)	(58,309)
Cash Payments for Suppliers	(11,221)	-	(11,221)
Cash Payments for Other Operating Expenses	(18,159)	(210,223)	(228,382)
Net Cash Provided by Operating Activities	<u>1,901</u>	<u>56,481</u>	<u>58,382</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	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase in Cash and Cash Equivalents	1,901	56,481	58,382
Cash and Cash Equivalents at Beginning of Year	<u>18,304</u>	<u>520,909</u>	<u>539,213</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 20,205</u></u>	<u><u>\$ 577,390</u></u>	<u><u>\$ 597,595</u></u>
<u>Reconciliation of Operating Income to Net Cash</u>			
<u>Provided by Operating Activities:</u>			
Operating Income:	\$ 3,481	\$ 50,919	\$ 54,400
Effect of Increases and Decreases in Current Assets and Liabilities:			
Decrease (increase) in Investments	-	(2,755)	(2,755)
Increase (decrease) in Accounts Payable	<u>(1,580)</u>	<u>8,317</u>	<u>6,737</u>
Net Cash Provided by Operating Activities	<u><u>\$ 1,901</u></u>	<u><u>\$ 56,481</u></u>	<u><u>\$ 58,382</u></u>

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 AUGUST 31, 2022

	712 After School Program	713 Concession Stand	714 Career Training Center	Total Nonmajor Enterprise Funds
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 22,505	\$ -	\$ 21,704	\$ 44,209
Total Current Assets	<u>22,505</u>	<u>-</u>	<u>21,704</u>	<u>44,209</u>
Noncurrent Assets:				
Capital Assets:				
Furniture and Equipment	-	27,557	26,871	54,428
Depreciation on Furniture and Equipment	<u>-</u>	<u>(27,557)</u>	<u>(14,395)</u>	<u>(41,952)</u>
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>12,476</u>	<u>12,476</u>
Total Assets	<u>22,505</u>	<u>-</u>	<u>34,180</u>	<u>56,685</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	<u>1,434</u>	<u>-</u>	<u>1,193</u>	<u>2,627</u>
Total Liabilities	<u>1,434</u>	<u>-</u>	<u>1,193</u>	<u>2,627</u>
NET POSITION				
Net Investment in Capital Assets	-	-	12,476	12,476
Unrestricted Net Position	<u>21,071</u>	<u>-</u>	<u>20,511</u>	<u>41,582</u>
Total Net Position	<u>\$ 21,071</u>	<u>\$ -</u>	<u>\$ 32,987</u>	<u>\$ 54,058</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, 2022

	712 After School Program	713 Concession Stand	714 Career Training Center	Total Nonmajor Enterprise Funds
OPERATING REVENUES:				
Local and Intermediate Sources	\$ 50,535	\$ -	\$ 14,053	\$ 64,588
Total Operating Revenues	50,535	-	14,053	64,588
OPERATING EXPENSES:				
Payroll Costs	37,272	-	-	37,272
Professional and Contracted Services	-	-	133	133
Supplies and Materials	19,165	-	3,391	22,556
Other Operating Costs	900	-	189	1,089
Depreciation Expense	-	-	3,839	3,839
Total Operating Expenses	57,337	-	7,552	64,889
Operating Income (Loss)	(6,802)	-	6,501	(301)
Total Net Position - September 1 (Beginning)	27,873	-	26,486	54,359
Total Net Position - August 31 (Ending)	\$ 21,071	\$ -	\$ 32,987	\$ 54,058

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2022

	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	\$ 50,535	\$ -	\$ 14,053	\$ 64,588
Cash Payments to Employees for Services	(37,272)	-	-	(37,272)
Cash Payments for Suppliers	(17,731)	-	(2,271)	(20,002)
Cash Payments for Other Operating Expenses	(900)	-	(322)	(1,222)
Net Cash Provided by (Used for) Operating Activities	(5,368)	-	11,460	6,092
<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	(5,368)	-	11,460	6,092
Cash and Cash Equivalents at Beginning of Year	27,873	-	10,244	38,117
Cash and Cash Equivalents at End of Year	<u>\$ 22,505</u>	<u>\$ -</u>	<u>\$ 21,704</u>	<u>\$ 44,209</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>				
<u>Provided by (Used for) Operating Activities:</u>				
Operating Income (Loss):	\$ (6,802)	\$ -	\$ 6,501	\$ (301)
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used For) Operating Activities:				
Depreciation	-	-	3,839	3,839
Effect of Increases and Decreases in Current Assets and Liabilities:				
Increase (decrease) in Accounts Payable	1,434	-	1,120	2,554
Net Cash Provided by (Used for) Operating Activities	<u>\$ (5,368)</u>	<u>\$ -</u>	<u>\$ 11,460</u>	<u>\$ 6,092</u>

T.E.A. REQUIRED SCHEDULES

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FISCAL YEAR ENDED AUGUST 31, 2022

Last 10 Years Ended August 31	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2013 and prior years	Various	Various	\$ Various
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	0.962700	0.329000	1,494,521,561
2022 (School year under audit)	0.947000	0.312000	1,550,187,689
1000 TOTALS			

(10) Beginning Balance 9/1/2021	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2022
\$ 145,370	\$ -	\$ 17,199	\$ 3,035	\$ -	\$ 125,136
23,258	-	3,725	606	-	18,927
32,275	-	5,757	937	-	25,581
42,419	-	10,698	1,741	-	29,980
66,921	-	14,174	2,700	-	50,047
74,480	-	21,757	4,144	-	48,579
139,944	-	38,268	7,289	-	94,387
264,375	-	74,824	21,104	-	168,447
411,880	-	116,417	38,806	-	256,657
-	19,516,863	14,287,398	4,668,962	(110,944)	449,559
<u>\$ 1,200,922</u>	<u>\$ 19,516,863</u>	<u>\$ 14,590,217</u>	<u>\$ 4,749,324</u>	<u>\$ (110,944)</u>	<u>\$ 1,267,300</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, 2022

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	\$ 157,800	\$ 157,800	\$ 168,473	\$ 10,673
5800	State Program Revenues	17,600	130,067	213,342	83,275
5900	Federal Program Revenues	2,918,010	3,271,135	3,717,399	446,264
5020	Total Revenues	3,093,410	3,559,002	4,099,214	540,212
EXPENDITURES:					
Current:					
0035	Food Services	3,066,310	3,531,902	3,324,580	207,322
0051	Facilities Maintenance and Operations	27,500	27,500	15,296	12,204
6030	Total Expenditures	3,093,810	3,559,402	3,339,876	219,526
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(400)	(400)	759,338	759,738
OTHER FINANCING SOURCES (USES):					
7912	Sale of Real and Personal Property	400	400	-	(400)
1200	Net Change in Fund Balances	-	-	759,338	759,338
0100	Fund Balance - September 1 (Beginning)	677,661	677,661	677,661	-
3000	Fund Balance - August 31 (Ending)	\$ 677,661	\$ 677,661	\$ 1,436,999	\$ 759,338

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, 2022

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	\$ 4,860,845	\$ 4,860,845	\$ 4,827,435	\$ (33,410)
5800 State Program Revenues	447,070	447,070	697,178	250,108
5020 Total Revenues	5,307,915	5,307,915	5,524,613	216,698
EXPENDITURES:				
Debt Service:				
0071 Principal on Long-Term Liabilities	2,635,000	2,635,000	2,635,000	-
0072 Interest on Long-Term Liabilities	2,671,165	2,671,165	2,671,163	2
0073 Bond Issuance Cost and Fees	1,750	1,750	(3,139)	4,889
6030 Total Expenditures	5,307,915	5,307,915	5,303,024	4,891
1200 Net Change in Fund Balances	-	-	221,589	221,589
0100 Fund Balance - September 1 (Beginning)	1,979,484	1,979,484	1,979,484	-
3000 Fund Balance - August 31 (Ending)	\$ 1,979,484	\$ 1,979,484	\$ 2,201,073	\$ 221,589

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
STATE COMPENSATORY EDUCATION AND BILINGUAL EDUCATION PROGRAM EXPENDITURES
FOR THE YEAR ENDED AUGUST 31, 2022

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.	6310402
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year.	3930263

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.	1527756
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25,35)	919257

**REPORTS ON INTERNAL CONTROL,
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, 2022, 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 20, 2022.

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 20, 2022

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Member: American Institute of Certified Public Accountants • Texas State Society of Certified Public Accountants



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

Opinion on Each Major Federal Program

We have audited Mount Pleasant Independent School District's compliance with the types of compliance requirements identified as subject to audit 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, 2022. 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.

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, 2022.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 20, 2022

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2022

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: ESSER II CFDA# 84.425D & ESSER III CFDA 84.425U, IDEA Part B Formula CFDA# 84.027A and 84.173A
- 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, 2022

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, 2022

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, 2022

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal Assistance Listing No.	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
<u>Passed Through Texas Education Agency</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010 A	22610101225902	\$ 1,746,185
*SSA - IDEA - Part B, Formula	84.027 A	226600012259026600	1,128,682
*SSA - IDEA,B,Formula - American Rescue Plan Act	84.027 A	225350012259025350	50,388
Total Assistance Listing Number 84.027			1,179,070
*SSA - IDEA - Part B, Preschool	84.173 A	226610012259026610	38,385
Total Special Education Cluster (IDEA)			1,217,455
ESSER III - ARP School Emergency Relief	84.425 U	21521001225902	4,870,017
Elementary Secondary School Emergency Relief II	84.425 D	21521001225902	267,303
ARP- Homeless II - Education for Homeless Children	84.425 W	21533001225902	8,918
Total Assistance Listing Number 84.425			5,146,238
Title III, Part A - English Language Acquisition	84.365 A	22671001225902	270,284
ESEA, Title V, Part B,2 - Rural & Low Income Prog.	84.358 A	22696001225902	130,723
ESEA, Title II, Part A, Teacher Principal Training	84.367 A	22694501225902	218,152
Career and Technical - Basic Grant	84.048 A	22420006225902	79,927
ESEA Title IV, Part A	84.404 A	22680101225902	129,813
Total Passed Through Texas Education Agency			8,938,777
TOTAL U.S. DEPARTMENT OF EDUCATION			8,938,777
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Direct Programs</u>			
Head Start	93.600	06CH0I09850301	3,432,447
Total Direct Programs			3,432,447
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			3,432,447
U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through the Texas Department of Agriculture</u>			
*School Breakfast Program	10.553	N/A	720,211
*National School Lunch Program - Cash Assistance	10.555	N/A	2,738,055
*National School Lunch Prog. - Non-Cash Assistance	10.555	N/A	306,129
Total Assistance Listing Number 10.555			3,044,184
Total Child Nutrition Cluster			3,764,395
Child & Adult Care Food Program - Cash Assistance	10.558		52,868
Total Passed Through the Texas Department of Agriculture			3,817,263
TOTAL U.S. DEPARTMENT OF AGRICULTURE			3,817,263
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 16,188,487
*Clustered Programs			

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT
NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2022

- 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 \$56,212.

- Reconciliation Information:

Amount reported on th Schedule of Expenditures of Federal Awards.	16,188,487
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SHARS Revenue reported in the General Fund.	1,391,687
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Federal Program Revenue Reported on Exhibit C-3	<u>17,580,174</u>
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Total Federal Program Revenue	<u><u>17,580,174</u></u>
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SCHOOLS FIRST QUESTIONNAIRE

MOUNT PLEASANT INDEPENDENT SCHOOL DISTRICT

Fiscal Year 2022

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