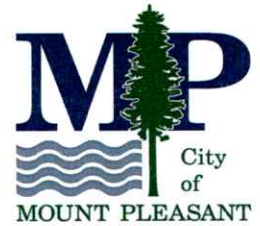




NOTICE AND AGENDA OF REGULAR CALLED MEETING MOUNT PLEASANT CITY COUNCIL

Tuesday, May 19, 2026 at 6:00 P.M.
501 North Madison, Mount Pleasant, Texas



PURSUANT TO CHAPTER 551.127, TEXAS GOVERNMENT CODE, ONE OR MORE COUNCIL MEMBERS MAY ATTEND THIS MEETING REMOTELY USING VIDEOCONFERENCING TECHNOLOGY. THE VIDEO AND AUDIO FEED OF THE VIDEOCONFERENCING EQUIPMENT CAN BE VIEWED AND HEARD BY THE PUBLIC AT THE ADDRESS POSTED ABOVE AS THE LOCATION OF THE MEETING.

Under the Americans with Disabilities Act, an individual with a disability must have equal opportunity for effective communication and participation in public meetings. Upon request, agencies must provide auxiliary aids and services, such as interpreters for the deaf and hearing impaired, readers, large print or Braille documents. In determining the type of auxiliary aid or services, agencies must give primary consideration to the individual's request. Those requesting auxiliary aids or services should notify the contact person listed on the meeting several days before the meeting by mail, telephone, or RELAY Texas. TTY: 7-1-1.

The public may participate by joining YouTube: <https://www.youtube.com/@thecityofmountpleasanttxa1157/streams>

CALL TO ORDER

Roll Call and Certification of a Quorum

Invocation

Pledge of Allegiance

OPEN SESSION

PUBLIC COMMENTS

The City Council welcomes citizen participation and comments at all Council meetings. Citizen comments are limited to three minutes out of respect for everyone's time. The Council is not permitted to respond to your comments. The Texas Open Meetings Act requires that topics of discussion/deliberation be posted on an agenda not less than 3 business days in advance of the Council meetings. If your comments relate to a topic that is on the agenda, the Council will discuss the topic on the agenda at the time that the topic is discussed and deliberated.

CONSENT AGENDA

ITEMS ON THE CONSENT AGENDA ARE APPROVED THROUGH A SINGLE COUNCIL MOTION, WHICH APPLIES TO ALL ITEMS LISTED. CONSENT AGENDA ITEMS ARE CONSIDERED ROUTINE, NOT LIKELY TO REQUIRE DISCUSSION OR DELIBERATION, AND MAY BE DISCUSSED PRIOR TO MAKING A MOTION. THERE WILL BE NO SEPARATE DISCUSSION OF THESE ITEMS UNLESS A COUNCIL MEMBER REQUESTS AN ITEM BE REMOVED AND CONSIDERED SEPARATELY.

1. Consider Approval of the May 5, 2026 Meeting Minutes.
2. Consider pay request #11 for J2 Construction (Industrial Park Lift Station)
3. Consider pay request #36 for Drake Construction (Southside WWTP)

CONSENT AGENDA MOTION

MOTION TO APPROVE ALL CONSENT AGENDA ITEMS AS PRESENTED

REGULAR AGENDA

4. Presentation of Mount Pleasant Sports Complex Plaque to Council Members
5. Discuss and consider accepting the Canvass results of the May 2, 2026, General Election.
6. Swearing in and Oath of Office for Council Members of Place 3, Place 4, and Place 5.
7. Presentation, discuss, and consider acceptance of the Fiscal Year 2025 Financial Audit
8. Monthly Financial Report for Month Ended April 30, 2026
9. Discuss and consider adopting Federal Procurement policies related to the City's Federal grant awards.
10. Discuss and consider Change Order #4 from KSA and Drake General Contractors. LLC for work performed at the Wastewater Treatment Plant.
11. Hold a public hearing and consider Ordinance 2026-13 to approve a request from applicant Jyl Johnson Cano on behalf of owners Ivan and Juan Zambrano to rezone Mount Pleasant City Block 156, Lot 3 B, from General Retail (GR) to Multi-Family (MF) Zoning District, addressed as 206 East 9th Street. Z-2026-01

12. Hold a public hearing and consider Ordinance 2026-14 to approve a request from owner Jose De la Rosa to rezone Mount Pleasant City Block 124, Lot 1C, from Single Family (SF2) to General Retail (GR) Zoning District, Property ID: 10774, located to the north across the alley from his property at 107 N Miller Avenue. Z-2026-02
13. Presentation and discuss the Mount Pleasant EDC Report Update
14. Discuss and consider a performance agreement between Mount Pleasant Economic Development Corporation and Sweet Shop Candies, Inc (dba Sweet Shop USA)
15. Discuss and consider an Agreement for Accounting, Investment, and Payroll Management Services between the Mount Pleasant Economic Development Corporation and the City of Mount Pleasant, Texas.
16. Discuss and consider the proposed amendment to the Bylaws of the City of Mount Pleasant, Texas, Economic Development Corporation.
17. City Manager's Report

COUNCIL COMMENTS

Council Comments limited to announcements of upcoming events, recent Council Member activities or requests to add agenda items for an upcoming meeting (2 minutes per Council Member).

EXECUTIVE SESSION

Pursuant to the Open Meetings Act, Chapter 551, Texas Government Code, The City Council will recess into executive session (closed meeting) to discuss the following:

Consultation with Attorney (Tex. Gov't Code §551.071) concerning possible settlement of City of Mount Pleasant v. Ginger Lou Redfearn McDonald, cause No. 43310, Titus County, Texas.

Personnel Matters (Tex. Gov't Code §551.074) Discuss duties and objectives for City Manager.

RECONVENE INTO THE REGULAR SESSION

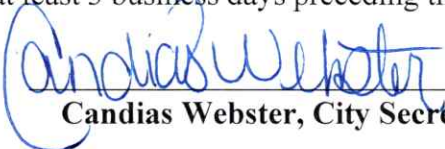
In accordance with Texas Government Code, Chapter 551, the City Council will reconvene into regular session to consider action, if any, on matters discussed in executive session.

18. Discuss and consider the settlement of City of Mount Pleasant v. Ginger Lou Redfearn McDonald, cause No. 43310, Titus County, Texas

The City Council reserves the right to adjourn into executive session at any time to discuss any of the matters listed on the agenda as authorized by the Texas Government Code §551.071, (Consultation with Attorney), §551.072, (Deliberations about Real Property), §551.074, (Personnel Matters), §551.076, (Deliberations about Security Devices), §551.087, (economic development negotiations), or any other exception authorized by Chapter 551 of the Texas Government Code.

ADJOURN

I certify the above notice of meeting is a true and correct copy of said notice and that the same was posted on the bulletin board of City Hall of the City of Mount Pleasant, Texas, a place readily accessible to the general public at times, by 5:00 pm on the 13th of May 2026 and remained so posted for at least 3 business days preceding the scheduled of said meeting.


Candias Webster, City Secretary



AGENDA ITEM REPORT

Meeting: City Council - May 19 2026

Staff Contact: Candias Webster, City Secretary

Department: Administration

Subject: Consider Approval of the May 5, 2026 Meeting Minutes.

Item Summary:

This is a typed copy of the minutes from the May 5, 2026 meeting

Financial Impact:

N/A.

Recommendation(s):

Motion to approve the consent agenda item

Attachments:

[2026.05.05 Regular](#)

STATE OF TEXAS

COUNTY OF TITUS

CITY OF MOUNT PLEASANT

The City Council of the City of Mount Pleasant, Texas, after notice posted in the manner, form, and contents as required by law, met in Regular Session on May 5, 2026, at 6:00 PM at the Council Chambers located at 501 North Madison with the following members present:

- Wesley Lyon - Mayor
- Carl Hinton - Mayor Pro-Tem
- Debbie Corbell - Council Member
- Melanie Tafoya - Council Member
- Kelly Redfearn Faulkner - Council Member
- Rob Vine - City Manager
- Candias Webster - Assistant City Manager/City Secretary
- Lea Ream - City Attorney

Absent Jonathan Hageman - Council Member

MEMBERS OF THE PUBLIC WERE PROVIDED THE OPPORTUNITY TO COMMENT

No action was taken by the Council

EXECUTIVE SESSION 6:04PM

Pursuant to the Open Meetings Act, Chapter 551, Texas Government Code, The City Council will recess into executive session (closed meeting) to discuss the following:

Consultation with Attorney (Tex. Gov't Code §551.071) and Personnel Matters (Tex. Gov't Code §551.074) to consider the ethics complaint filed against Council Member Melanie (Knight) Tafoya and the status of the investigation.

RECONVENE INTO THE REGULAR SESSION 7:35PM

In accordance with Texas Government Code, Chapter 551, the City Council will reconvene into regular session to consider action, if any, on matters discussed in executive session.

CONSENT AGENDA

ITEMS ON THE CONSENT AGENDA ARE APPROVED THROUGH A SINGLE COUNCIL MOTION, WHICH APPLIES TO ALL ITEMS LISTED. CONSENT AGENDA ITEMS ARE CONSIDERED ROUTINE, NOT LIKELY TO REQUIRE DISCUSSION OR DELIBERATION, AND MAY BE DISCUSSED PRIOR TO MAKING A MOTION. THERE WILL BE NO SEPARATE DISCUSSION OF THESE ITEMS UNLESS A COUNCIL MEMBER REQUESTS AN ITEM BE REMOVED AND CONSIDERED SEPARATELY.

Consider Approval of the April 21, 2026, and April 23, 2026, Meeting Minutes.

Consider Approval of Appointments to the Housing Authority of the City of Mount Pleasant.

Motion was made by Council Member Hinton and seconded by Council Member Faulkner to approve all consent agenda items as presented. Upon a vote, the motion carried unanimously.

DISCUSSION AND POSSIBLE ACTION ON INVESTIGATION OF AND CONCERNING ETHICS COMPLAINT FILED AGAINST COUNCIL MEMBER MELANIE (KNIGHT) TAFOYA

Motion was made by Council Member Corbell and seconded by Council Member Hinton to approve reading the investigation report concerning the ethics complaint filed against Council Member Melanie (Knight) Tafoya. Upon a vote, the motion carried unanimously with Council Member Tafoya recusing herself from voting.

DISCUSS AND CONSIDER AWARDED A BID FOR THE FM 4000 SEWER IMPROVEMENT PROJECT

Motion was made by Council Member Hinton and seconded by Council Member Corbell, to approve awarding a bid to At Professor of Plumbing in the amount of \$133,321.04 for the FM 4000 Sewer Improvement Project. Upon a vote, the motion carried unanimously.

PRESENTATION AND DISCUSSION TO OUTLINE AN OVERVIEW OF GOALS FOR THE UPCOMING DOWNTOWN ZONING DISTRICT

Lynn Barrett presented. No vote needed.

EXECUTIVE SESSION 8:37 PM

Pursuant to the Open Meetings Act, Chapter 551, Texas Government Code, The City Council will recess into executive session (closed meeting) to discuss the following:

551.087 Economic Development Negotiations: 26-03-1 & 26-03-2

RECONVENE INTO THE REGULAR SESSION 8:47 PM

In accordance with Texas Government Code, Chapter 551, the City Council will reconvene into regular session to consider action, if any, on matters discussed in executive session.

No Action

ADJOURN 8:47 PM

WESLEY LYON, MAYOR

ATTEST:

CANDIAS WEBSTER, ASSISTANT CITY MANAGER/CITY SECRETARY



AGENDA ITEM REPORT

Meeting: City Council - May 19 2026

Staff Contact: Erin Marshall, Utilities Director

Department: Utilities

Subject: Consider pay request #11 for J2 Construction (Industrial Park Lift Station)

Item Summary:

The current Industrial Park Lift Station is at maximum capacity with the addition of Local Bounti to the sewer system. The Industrial Park Lift Station Project is the replacement of a 6-inch force main with an 8-inch force main. The removal of the existing wet well and the installation of a larger well for more capacity with larger pumps to handle the higher flow. Lastly, the installation of an onsite generator for backup power and a new privacy fence to enclose the larger footprint of the well. In doing this project this increases the sewer systems capacity in the area to promote future growth.

Financial Impact:

This is the Final pay request for this project in the amount of \$67,633.95.

Budgeted Amount: 2,600,000

Contract Amount: 1,440,242

Contract start date: April 7, 2025

Substantial Completion: January 2, 2026

Previous Payments Total: 1,285,045.05

Current Pay Request: 67,633.95

Percent Total with request: 100%

Percent of time: 100%

Recommendation(s):

Recommended a motion to approve pay request #11 in the amount of \$67,633.95

Attachments:

[2026-04-24 EMarshall Contract Work Acceptance](#)

[102055 PE No. 11 \(Final\)](#)

[Certificate of Substantial Completion - KSA & J2](#)

[Contractor's Final Payment Affidavit](#)

April 24, 2026

Mr. Erin Marshall
Director of Utilities
City of Mount Pleasant
501 N. Madison
Mount Pleasant, TX 75455

via email

**Re: City of Mount Pleasant
Industrial Lift Station and Force Main
Contractor's Request for Project Acceptance**

Dear Erin:

The Contractor has completed all work for the above reference project. To close out the City's contract with J2 Construction Services, LLC, the following actions are recommended:

- Approval of Contractor's final progress estimate with retainage reduced to 0%. The final payment amount is \$67,633.95. Approved Change Order No. 1 (Reconciliatory) reduces the contract amount to \$1,352,679.00 (\$1,440,272.00 - \$87,593.00 = \$1,352,679.00). Change Order No. 1 added 14 additional days to the contract.
- Approval of Certificate of Substantial Completion. Please return an executed copy to KSA.
- Acceptance of the project by Council.

KSA has reviewed and verified the work is complete and is in conformance to the Contract requirements on February 11, 2026, by a final walkthrough. Upon City acceptance, the Contractor shall provide a 1-year warranty on all work.

Enclosed for your records is the Contractor's "Final Payment Affidavit" for the project.

**Respectfully,
KSA – a PAPE-DAWSON company**



Blake Powell, P.E.
Project Manager

BTP/ss

Enclosures



PROGRESS ESTIMATE

140 E. TYLER ST., SUITE 600
LONGVIEW, TX 75601
903.236.7700

Estimate No.: 11 (FINAL)

Date: April 7, 2026

Project: Industrial Lift Station and Force Main

Period: From: 03/01/2026 To: 03/31/2026

Contractor: J 2 Construction Services, LLC

Address: 3603 Brent Rd., Longview TX 75604

Amount of Contract as Awarded: \$1,440,272.00

Notice to Proceed Date: April 7, 2025

Contract Time: 314 Days

% Complete (Time): 116.24%

% Complete (\$): 100.00%

Project No: 102055

PREVIOUS PAYMENTS AUTHORIZED

#1	242,303.68	#10	9,963.60
#2	80,076.07	#11	
#3	111,110.19	#12	
#4	78,212.03	#13	
#5	183,318.33	#14	
#6	165,262.48	#15	
#7	294,657.85	#16	
#8	84,589.43	#17	
#9	35,551.39	#18	

Change Orders:

# 1 \$	<u>(87,593.00)</u>	# 6 \$	<u></u>
# 2 \$	<u></u>	# 7 \$	<u></u>
# 3 \$	<u></u>	# 8 \$	<u></u>
# 4 \$	<u></u>	# 9 \$	<u></u>
# 5 \$	<u></u>	#10 \$	<u></u>

Total Change Orders: (\$87,593.00)

Total Adjusted Contract: \$1,352,679.00

Total Payments

Previously Authorized: \$1,285,045.05

Item No.	Description	Unit of Meas.	Quantity Original Estimate	Previous Month's Quantity	Current Month's Quantity	Quantity Completed To Date	Unit Price (\$)	Value of Completed Work (\$)
SCHEDULE 1 - GENERAL								
1.01	Mobilization, Insurance, Bonds	LS	1	1.00		1.00	\$47,600.00	\$47,600.00
1.02	Barricades, Signs, and Traffic Handling	LS	1	1.00		1.00	\$7,950.00	\$7,950.00
1.03	Clearing and Grubbing	AC	1	1.00		1.00	\$26,700.00	\$26,700.00
1.04	Force Main Testing	LS	1	1.00		1.00	\$13,000.00	\$13,000.00
1.05	Temporary Bypass Pumping	LS	1	1.00		1.00	\$91,200.00	\$91,200.00
1.06	Care of Water During Construction	LS	1	1.00		1.00	\$2,200.00	\$2,200.00
1.07	Stormwater Pollution Prevention	LS	1	1.00		1.00	\$13,650.00	\$13,650.00
1.08	Excavation Safety	LS	1	1.00		1.00	\$2,200.00	\$2,200.00
1.09	Trench Safety	LF	7,790	7,790.00		7,790.00	\$0.50	\$3,895.00
1.10	Demo Existing Lift Station Site	LS	1	1.00		1.00	\$14,300.00	\$14,300.00
1.11	Foundation Material for Trench	CY	^0	0.00		0.00	\$49.00	\$0.00
1.12	8-in SDR 21 PVC Force Main	LF	***7,075	7,075.00		7,075.00	\$38.00	\$268,850.00
1.13	8-in SDR 21 Restrainted Joint PVC Force Main by Directional Drill	LF	***1,611	1,611.00		1,611.00	\$81.00	\$130,491.00
1.14	Air Release Valve	EA	6	6.00		6.00	\$1,950.00	\$11,700.00
1.15	Cut, Plug, and Abandon Existing Force Main	EA	4	4.00		4.00	\$1,324.00	\$5,296.00
1.16	8-in Plug Valve Assembly	EA	5	5.00		5.00	\$4,305.00	\$21,525.00
1.17	Open Cut and Repair Asphalt	SY	^261	261.00		261.00	\$57.00	\$14,877.00
1.18	Open Cut and Repair Concrete	SY	18	18.00		18.00	\$263.00	\$4,734.00
1.19	Open Cut and Repair Gravel	SY	^368	368.00		368.00	\$27.00	\$9,936.00
1.20	Remove and Replace Barbed Wire Fence	LF	40	40.00		40.00	\$32.00	\$1,280.00
1.21	Connect to Existing Force Main	EA	1	1.00		1.00	\$8,950.00	\$8,950.00
1.22	Existing Air Releases Valve Abandonment	EA	3	3.00		3.00	\$395.00	\$1,185.00
1.23	Sanitary Lift Station Improvements	LS	1	1.00		1.00	\$359,360.00	\$359,360.00
1.24	Lift Station Coating System	LS	1	1.00		1.00	\$44,000.00	\$44,000.00
1.25	2,000 LBS Capacity Electric Crane	EA	1	1.00		1.00	\$16,450.00	\$16,450.00
1.26	Wooden Privacy Fence with Gates	LF	105	105.00		105.00	\$74.00	\$7,770.00
1.27	Asphalt Driveway at Lift Station	SY	138	138.00		138.00	\$76.00	\$10,488.00
1.28	100-kW Generator	LS	1	1.00		1.00	\$85,155.00	\$85,155.00
1.29	Electrical Improvements	LS	1	1.00		1.00	\$84,735.00	\$84,735.00
1.30	Electrical Power System Studies	LS	1	1.00		1.00	\$8,925.00	\$8,925.00
1.31	Seed and Fertilize	AC	2	2.00		2.00	\$2,260.00	\$4,520.00
1.32	Miscellaneous Allowance	AL	1	0.00		0.00	^\$0.00	\$0.00
***1.33	Cost of Sleeves and Restraints	LS	^0	0.00		0.00	\$6,956.00	\$0.00

Item No.	Description	Unit of Meas.	Quantity Original Estimate	Previous Month's Quantity	Current Month's Quantity	Quantity Completed To Date	Unit Price (\$)	Value of Completed Work (\$)
*FIELD WORK ORDER No. 1								
*FWO 1.1	Furnish and Install 14-in PVC Casing over Existing	LF	40	40.00		40.00	\$72.00	\$2,880.00
**FIELD WORK ORDER No. 2								
*FWO 2.1	Add 6-in Water Line Conflict Avoidance	LS	1	1.00		1.00	\$2,461.00	\$2,461.00
*FWO 2.2	Add 12-in Water Line Conflict Avoidance	LS	1	1.00		1.00	\$3,360.00	\$3,360.00
****FIELD WORK ORDER No. 4								
****FWO4.1	12-in Waterline Crossing	LF	20	20.00		20.00	\$118.00	\$2,360.00
****FWO4.2	Furnish and Install 12-in RCP Culvert	LF	26	26.00		26.00	\$68.50	\$1,781.00
****FWO4.3	Furnish and Install 12-in C900 Culvert	LF	35	35.00		35.00	\$49.00	\$1,715.00
5* FIELD WORK ORDER No. 5								
⁵ *FWO5.1	Two Weeks Additional Bypass Pumping Due to Delays with Power Pole Set	LS	1	1.00		1.00	\$15,200.00	\$15,200.00

*Per FWO No. 1; **Per FWO No. 2; *** Per FWO No. 3; ****Per FWO No. 4; ⁵*Per FWO No. 5; ^Per CO No. 1

In accordance with the Contract Documents, based on on-site observations and the data comprising the above application, the Engineer represents to the Owner that to the best of the Engineer's knowledge, information and belief, the Work (excluding trench safety) has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the **AMOUNT PAYABLE**. The Contractor is solely responsible for trench safety and as such, the Engineer makes no representation that this pay item has been performed in a manner consistent with the Contract Documents.

By		Total Amount to Date	\$1,352,679.00
Date	04/09/2026	Material on Hand	\$0.00
Approved:	CITY OF MOUNT PLEASANT	Less 0% Retainage	\$0.00
By		Net Total	\$1,352,679.00
Date		Less Previous Payments	\$1,285,045.05
		Amount Payable to Contractor This Estimate	\$67,633.95

CERTIFICATE OF SUBSTANTIAL COMPLETION

Owner:	City of Mount Pleasant	Owner's Contract No.:	N/A
Contractor:	J 2 Construction Services, LLC	Contractor's Project No.:	
Engineer:	KSA Engineers, Inc.	Engineer's Project No.:	102055
Project:	Industrial Lift Station and Force Main	Contract Name:	Industrial Lift Station and Force Main

This Final Certificate of Substantial Completion applies to:

All Work The following specified portions of the Work:

January 8, 2026

Date of Substantial Completion

The Work to which this Certificate applies has been inspected by authorized representatives of Owner, Contractor, and Engineer, and found to be substantially complete. The Date of Substantial Completion of the Work or portion thereof designated above is hereby established, subject to the provisions of the Contract pertaining to Substantial Completion. The date of Substantial Completion in the final Certificate of Substantial Completion marks the commencement of the contractual correction period and applicable warranties required by the Contract.

A punch list of items to be completed or corrected is attached to this Certificate. This list may not be all-inclusive, and the failure to include any items on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract.

The responsibilities between Owner and Contractor for security, operation, safety, maintenance, heat, utilities, insurance, and warranties upon Owner's use or occupancy of the Work shall be as provided in the Contract, except as amended as follows: *[Note: Amendments of contractual responsibilities recorded in this Certificate should be the product of mutual agreement of Owner and Contractor; see Paragraph 15.03.D of the General Conditions.]*

Amendments to Owner's responsibilities: None As follows

Amendments to Contractor's responsibilities: None As follows:

The following documents are attached to and made a part of this Certificate: *[none]*

This Certificate does not constitute an acceptance of Work not in accordance with the Contract Documents, nor is it a release of Contractor's obligation to complete the Work in accordance with the Contract.

<p>EXECUTED BY ENGINEER:</p> <p>By: <u><i>Bill Paul</i></u> (Authorized signature)</p> <p>Title: <u>Project Manager</u></p> <p>Date: <u>04/09/2026</u></p>	<p>RECEIVED:</p> <p>By: _____ Owner (Authorized Signature)</p> <p>Title: _____</p> <p>Date: _____</p>	<p>RECEIVED:</p> <p>By: <u><i>Alexander Swihart</i></u> Contractor (Authorized Signature)</p> <p>Title: <u>Project Manager</u></p> <p>Date: <u>04/14/2026</u></p>
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CONTRACTOR'S FINAL PAYMENT AFFIDAVIT

City: Mt. Pleasant
Contractor: J2 Construction Services, LLC

Date: 04-06-2026

BEFORE ME, THE UNDERSIGNED AUTHORITY, on this day personally appeared Alexander Swihart, who being duly sworn, on oath, says that he is a duly authorized representative of J2 Construction Services, LLC; Contractor, and that all terms of the Contract for the completion of certain public works described as Mt. Pleasant Industrial Lift Station & Force Main; City/County of Mount Pleasant, Texas have been satisfactorily completed and that ALL sums of money for payrolls, bills for material and equipment, and other indebtedness connected with the Work for the Owner or its property might in any way be responsible to the best of my knowledge and belief, have been paid or will be paid or otherwise satisfied within thirty days after receipt of final payment from the Owner, or within the period of time required by Article 601f, Vernon's Civil Statutes. Payments not made in full at the time of this affidavit are listed below.

FINAL PAYMENTS pending as of this date hereof are: None Pending x As Listed Below

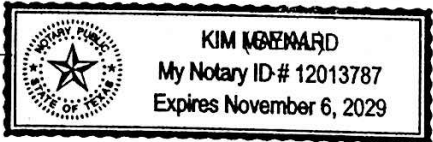
Individual or Co. Name	Mailing Address	Amount Owed
J W Electric - Retainage	P.O. Box 143 White Oak, TX 75693	\$8,590.00
Texas Premier Coatings - Retainage	P.O. Box 1331 Forney, TX 75126	\$2,093.00

Alexander Swihart
Signature
Project Manager
Title

Affidavit must be signed by an individual owner or partner in partnership, or by a person authorized by by-laws or Board of Directors to sign for a corporation. If Contractor is a joint venture or partnership of individuals, either may sign, but if a joint venture in which a corporation is a party, separate affidavits must be executed by each corporation and by each individual owner or partnership. In the event subcontractors, laborers, or material suppliers have not been paid in full, the Contractor shall list here on the amount owed and the name and address of each subcontractor, laborer, or material supplier to whom such payment is owed.

Sworn and Subscribed before me this, the 6th day of April, 2026.

Kim Bernard
Notary Public in and for Gregg County, Texas





AGENDA ITEM REPORT

Meeting: City Council - May 19 2026

Staff Contact: Erin Marshall, Utilities Director

Department: Utilities

Subject: Consider pay request #36 for Drake Construction (Southside WWTP)

Item Summary:

The current Southside Treatment Plant is at max capacity by our TCEQ permit and on heavy rain days the city goes over our limit per our permit putting the city in violation. TCEQ has a 75-90 rule meaning if your sewer plant hits 75% capacity for 3 straight months you have to begin design phase for a plant. If your plant hits 90% capacity for 3 straight months you have to begin construction of a new plant. The city hit 90% capacity for 3 straight months and we hadn't begun design phase yet putting the city in violation with TCEQ. During design phase the city and its engineers did studies and looked at the historical data on the growth of the city and determined that expanding our plant from a 2.8 MGD plant to a 5 MGD plant, with an option for 6 MGD in the future, would sustain the city's growth for the next 30-plus years. Also, during design phase the city found out that our discharge point into Harts Creek had to be moved to Big Cypress Creek which also added to the cost.

Financial Impact:

Budgeted Amount: 45,000,000
Original Contract Amount: 40,549,300
Change Order Amount: 815,357.85
New contract Amount: 41,364,657.85
Contract start date: May 15, 2023
Original Substantial Completion: June 3, 2025
Days added to Contract: 258
Previous Payments Total: 36,763,949.27
Previous Amounts Percent: 91.23%
Current Pay Request: 623,390.00
Percent Total with request: 94.90%

Recommendation(s):

Recommended a motion to approve pay request #36 in the amount of 623,390.00

Attachments:

[MP160 PE No. 36](#)

[MP160 PE No. 36 MOH](#)

PROGRESS ESTIMATE

KSA ENGINEERS, INC.
140 E. TYLER ST., SUITE 600
LONGVIEW, TX 75601

Estimate No.: 36

Date: May 8, 2026

Project: Southside WWTP Improvements

Period: From: 03/26/2026 To: 04/25/2026

Contractor: Drake General Contractors, LLC (Heritage)

Address: 3737 Lamar Ave., Suite 700, Paris, TX 75460

Amount of Contract as Awarded: \$40,549,300.00

Change Orders:

# 1 \$ <u>463,357.85</u>	# 6 \$ _____
# 2 \$ <u>352,000.00</u>	# 7 \$ _____
# 3 \$ <u>0.00</u>	# 8 \$ _____
# 4 \$ _____	# 9 \$ _____
# 5 \$ _____	# 10 \$ _____
Total Change Orders: <u>\$815,357.85</u>	
Total Adjusted Contract: <u>\$41,364,657.85</u>	

Notice to Proceed Date: May 15, 2023

Contract Time: 1008 Days

% Complete (Time): 108.04%

% Complete (\$): 94.90%

Project No: MP.160

PREVIOUS PAYMENTS AUTHORIZED

#1 thru #9	<u>14,783,654.04</u>	#33	<u>452,241.80</u>
#10 thru 25	<u>16,892,120.55</u>	#34	<u>440,625.30</u>
#26	<u>476,155.62</u>	#35	<u>502,131.36</u>
#27	<u>228,350.23</u>	#36	_____
#28	<u>217,112.04</u>	#37	_____
#29	<u>296,480.18</u>	#38	_____
#30	<u>1,120,888.45</u>	#39	_____
#31	<u>847,436.31</u>	#40	_____
#32	<u>506,753.39</u>	#41	_____

Total Payments _____

Previously Authorized: \$36,763,949.27

Item No.	Description	Unit of Meas.	Quantity Original Estimate	Previous Month's Quantity	Current Month's Quantity	Quantity Completed To Date	Unit Price (\$)	Value of Completed Work (\$)
SCHEDULE 1.0 - BASE BID								
1.01	Mobilization, Insurance, and Bonds	LS	1	1.00		1.00	\$1,900,000.00	\$1,900,000.00
1.02	Stormwater Pollution Prevention	LS	1	0.99	0.01	1.00	\$15,000.00	\$15,000.00
1.03	Headworks Facility							
1.03A	Excavation, Embedment, & Backfill	LS	1	1.00		1.00	\$290,000.00	\$290,000.00
1.03B	Concrete	LS	1	1.00		1.00	\$250,000.00	\$250,000.00
1.03C	Pipe & Valves	LS	1	1.00		1.00	\$750,000.00	\$750,000.00
1.03D	Major Equipment	LS	1	0.99	0.01	1.00	\$1,400,000.00	\$1,400,000.00
1.04	Aeration System							
1.04A	Excavation, Embedment, & Backfill	LS	1	1.00		1.00	\$900,000.00	\$900,000.00
1.04B	Drilled Piers	LS	1	1.00		1.00	\$600,000.00	\$600,000.00
1.04C	Concrete	LS	1	1.00		1.00	\$1,100,000.00	\$1,100,000.00
1.04D	Pipe & Valves	LS	1	1.00		1.00	\$900,000.00	\$900,000.00
1.04E	Major Equipment	LS	1	0.99	0.01	1.00	\$1,200,000.00	\$1,200,000.00
1.05	Final Clarifiers 1, 3 & 4							
1.05A	Excavation, Embedment, & Backfill	LS	1	1.00		1.00	\$515,000.00	\$515,000.00
1.05B	Drilled Piers	LS	1	1.00		1.00	\$375,000.00	\$375,000.00
1.05C	Concrete	LS	1	1.00		1.00	\$1,000,000.00	\$1,000,000.00
1.05D	Pipe & Valves	LS	1	1.00		1.00	\$750,000.00	\$750,000.00
1.05E	Major Equipment	LS	1	0.70	0.05	0.75	\$1,200,000.00	\$900,000.00
1.06	RAS/WAS Pump Station	LS	1	1.00		1.00	\$703,000.00	\$703,000.00
1.07	Tertiary Filter Improvements	LS	1	1.00		1.00	\$530,600.00	\$530,600.00
1.08	Disinfection System							
1.08A	Excavation, Embedment, & Backfill	LS	1	1.00		1.00	\$368,000.00	\$368,000.00
1.08B	Concrete	LS	1	1.00		1.00	\$1,100,000.00	\$1,100,000.00
1.08C	Pipe, Valves, & Appurtenances	LS	1	1.00		1.00	\$100,000.00	\$100,000.00
1.08D	Major Equipment	LS	1	0.90		0.90	\$600,000.00	\$540,000.00
1.09	Effluent Lift Station							
1.09A	Excavation, Embedment, & Backfill	LS	1	1.00		1.00	\$271,000.00	\$271,000.00
1.09B	Concrete	LS	1	1.00		1.00	\$600,000.00	\$600,000.00
1.09C	Pumps, Pipe, & Valves	LS	1	0.97	0.03	1.00	\$200,000.00	\$200,000.00
1.10	Outfall Pipeline	LS	1	1.00		1.00	\$6,207,000.00	\$6,207,000.00
1.11	Sludge Dewatering Building	LS	1	0.55	0.35	0.90	\$773,000.00	\$695,700.00

Item No.	Description	Unit of Meas.	Quantity Original Estimate	Previous Month's Quantity	Current Month's Quantity	Quantity Completed To Date	Unit Price (\$)	Value of Completed Work (\$)
1.12	Yard Piping and Plant Drain Lift Station							
1.12A	Yard Piping	LS	1	1.00		1.00	\$853,472.00	\$853,472.00
1.12B	Plant Drain Lift Station: Excavation, Embedment & Backfill	LS	1	1.00		1.00	\$100,000.00	\$100,000.00
1.12C	Plant Drain Lift Station: Concrete	LS	1	1.00		1.00	\$200,000.00	\$200,000.00
1.12D	Plant Drain Lift Station: Major Equipment	LS	1	1.00		1.00	\$200,000.00	\$200,000.00
1.13	Sitework							
1.13A	Demolition & Disposal	LS	1	0.99		0.99	\$129,000.00	\$127,710.00
1.13B	Trucking & Stockpiling	LS	1	1.00		1.00	\$685,000.00	\$685,000.00
1.13C	Fence & Gate	LS	1	0.00		0.00	\$75,000.00	\$0.00
1.13D	Miscellaneous Metals	LS	1	1.00		1.00	\$340,000.00	\$340,000.00
1.13E	Pavement	LS	1	0.15		0.15	\$400,000.00	\$60,000.00
1.14	SCADA and Power System Study Allowance	AL	1	1.00		1.00	\$200,000.00	\$200,000.00
1.15	Electrical and Controls							
1.15A	Temporary Power & Dewatering	LS	1	1.00		1.00	\$440,000.00	\$440,000.00
1.15B	MCC Improvements	LS	1	0.90	0.02	0.92	\$1,850,000.00	\$1,702,000.00
1.15C	Generator & ATS	LS	1	0.99		0.99	\$1,350,000.00	\$1,336,500.00
1.15D	Above Ground Wiring & Conduits	LS	1	0.97	0.01	0.98	\$1,500,000.00	\$1,470,000.00
1.15E	Below Grade & Ductbanks	LS	1	0.98	0.01	0.99	\$1,800,000.00	\$1,782,000.00
1.15F	Lighting	LS	1	0.80	0.10	0.90	\$500,000.00	\$450,000.00
1.15G	Devices, Panels, Flow Meters & Fire Alarm	LS	1	0.90	0.02	0.92	\$1,000,000.00	\$920,000.00
1.16	Trench and Excavation Safety	LS	1	1.00		1.00	\$5,500.00	\$5,500.00
1.17	Miscellaneous Allowance	AL	1	0.00		0.00	*12 \$62,638.88	\$0.00
1.18	Tertiary Filter Allowance	AL	1	1.00		1.00	\$1,362,333.00	\$1,362,333.00
1.19	Care of Water During Construction	LS	1	1.00		1.00	\$1,142,095.00	\$1,142,095.00
SCHEDULE 2.0 - BID ALTERNATES								
2.01	Clarifier No. 2 Rehabilitation	LS	1	0.05		0.05	\$345,300.00	\$17,265.00
2.02	Bar Screens No. 1 and No. 2	LS	1	0.00		0.00	\$476,000.00	\$0.00
2.03	Dewatering Press No. 2	LS	1	0.15	0.75	0.90	\$498,000.00	\$448,200.00
FIELD WORK ORDER No. 1								
*WO1.1	Temporary Electric Conduit Reroute for Sludge Valves	LS	1	1.00		1.00	\$5,424.41	\$5,424.41
FIELD WORK ORDER No. 2								
*2WO2.1	Dewatering Press Modifications to Add a Circuit and Booster	LS	1	1.00		1.00	\$5,117.00	\$5,117.00
FIELD WORK ORDER No. 3								
*3WO3.1	Blower Building a Adjustment to avoid existing electrical conduits	LS	1	1.00		1.00	\$10,607.47	\$10,607.47
FIELD WORK ORDER No. 4								
*4WO4.1	Remove and replace existing screw pumps with new screw pumps, bypass pumping, gearbox modification for new pumps, commissioning and start up	LS	1	1.00		1.00	\$119,890.00	\$119,890.00
FIELD WORK ORDER No. 5								
*5WO5.1	Add approximately 1,000 LF o new fiber and upsize fiber conduits	LS	1	1.00		1.00	\$11,638.00	\$11,638.00
FIELD WORK ORDER No. 6								
*6WO6.1	Add Screw Pump Rehabilitation (Evoqua) Additional Cost, Contractor's fee, and Bond	LS	1	1.00		1.00	\$173,418.71	\$173,418.71
FIELD WORK ORDER No. 7								
*7WO7.1	Add (3) 3 Pole 30-amp Circuits for Actuating Valves on the Blowers for both Train 1 and Train 2 including Labor and Material	LS	1	1.00		1.00	\$21,218.53	\$21,218.53
FIELD WORK ORDER No. 8								
*8WO8.1	Replace cone section of four (4) manholes with a flat top section	LS	1	1.00		1.00	\$2,386.00	\$2,386.00

Item No.	Description	Unit of Meas.	Quantity Original Estimate	Previous Month's Quantity	Current Month's Quantity	Quantity Completed To Date	Unit Price (\$)	Value of Completed Work (\$)
FIELD WORK ORDER No. 9								
* ⁹ WO9.1	Increase Breaker Terminals from 4 to 6, Add Extra Conduits, and Increase Grounding Conductor	LS	1	1.00		1.00	\$18,110.00	\$18,110.00
FIELD WORK ORDER No. 10								
* ¹⁰ WO10.1	Add 20A/3P Circuit Breaker to PDP-7200. Install 30A/3P 316 Stainless Steel Disconnect inside Pump Building for Crane. Reoutn 4#12 - 0.75"C from PDP-7200 to the Crane Disconnect and to Crane	LS	1	1.00		1.00	\$7,293.00	\$7,293.00
FIELD WORK ORDER No. 11								
* ¹¹ WO11.1	Relocate Utility Transformer to Side of MCC Building- Reroute Existing Conduite towards New Location of Transformer via Sweeping Rigid 90's Inside of the Duct Bank. Dig New Ditch for Secondary Side of Transformer, includes Digging Underneath Existing Duct Bank for the Primary and secondary Side of the Transformer. Back Fill Existing Ditch. Coordination with SWEPCO for new Transformer Location	LS	1	1.00		1.00	\$44,780.00	\$44,780.00
FIELD WORK ORDER No. 12								
* ¹² WO12.1	Relocate Gates at Headworks-Relocate Gates to the Other Side of the Weir Walls	LS	1	1.00		1.00	\$17,478.00	\$17,478.00
Change Order No. 1								
^CO 1.1	Refurbishment of Two (2) Existing 60-in Diameter Internalift Screw Pumps (Evoqua)	LS	1	1.00		1.00	\$463,357.85	\$463,357.85
Change Order No. 2								
^^CO 2.1	Existing Train #1 Screw Pump Rehab with Bypass Pumping and New Pump Rehab	LS	1	1.00		1.00	\$352,000.00	\$352,000.00

*Per FWO No. 1; *² Per FWO No. 2; *³Per FWO No. 3; *⁴ Per FWO No. 4; *⁵ Per FWO No. 5; *⁶ Per FWO No. 6; *⁷Per FWO No. 7; *⁸Per FWO No. 8;

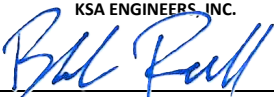
*⁹Per FWO No. 9; *¹⁰ Per FWO No. 10; *¹¹ Per FWO No. 11; *¹² Per FWO No. 12

^Per Change Order No. 1; ^^Per Change Order No. 2; ^^ Per Change Order No. 3

In accordance with the Contract Documents, based on on-site observations and the data comprising the above application, the Engineer represents to the Owner that to the best of the Engineer's knowledge, information and belief, the Work (excluding trench safety) has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the **AMOUNT PAYABLE**. The Contractor is solely responsible for trench safety and as such, the Engineer makes no representation that this pay item has been performed in a manner consistent with the Contract Documents.

KSA ENGINEERS, INC.

By



Date

05/08/2026

Approved:

CITY OF MOUNT PLEASANT

By

Date

Total Amount to Date

\$39,255,093.97

Material on Hand

\$100,000.00

Less 5% Retainage

\$39,355,093.97

Less 5% Retainage

\$1,967,754.70

Net Total

\$37,387,339.27

Less Previous Payments

\$36,763,949.27

Amount Payable to Contractor This Estimate

\$623,390.00

MATERIALS ON HAND

KSA ENGINEERS, INC.
140 E. TYLER ST., SUITE 600
LONGVIEW, TX 75601

Estimate No.: 36

Date: May 8, 2026

Project: Southside WWTP Improvements

Item	Description	Received this Period	Original Invoice Amount	Amount Installed to Date	Balance on Hand (\$)
1.	Hartman Specialty (July Invoice 727389)		\$32,021.98	\$32,021.98	\$0.00
2.	Hartman Specialty (July Invoice 730302)		\$22,663.20	\$22,663.20	\$0.00
3.	Hartman Specialty (July Invoice 730339)		\$22,663.20	\$22,663.20	\$0.00
4.	Thompson Pipe Group (Invoice 99011990)		\$120,411.64	\$120,411.64	\$0.00
5.	Thompson Pipe Group (Invoice 99012022)		\$134,649.06	\$134,649.06	\$0.00
6.	Thompson Pipe Group (Invoice 99012046)		\$94,922.84	\$94,922.84	\$0.00
7.	Hartwell (Invoice 23-095) August		\$445,280.00	\$445,280.00	\$0.00
8.	Hartmann (Invoice 734366) August		\$27,840.40	\$27,840.40	\$0.00
9.	Hayes (Invoices 1019-365,364,363,362)		\$168,991.20	\$168,991.20	\$0.00
10.	Hayes (Invoices 1019-357,359,360,361)		\$168,578.20	\$168,578.20	\$0.00
11.	Hayes (Invoice 1016161) August		\$279,007.00	\$279,007.00	\$0.00
12.	Hayes (Invoices 1018-568,585,1019018)		\$178,772.50	\$178,772.50	\$0.00
13.	Hayes (Invoices 1019-366,367,656,657,658)		\$211,264.20	\$211,264.20	\$0.00
14.	Thompson (Invoice 99012124) September		\$38,471.16	\$38,471.16	\$0.00
15.	Thompson (Invoices 99012188, 12195, 12210, 12225) September		\$377,626.72	\$377,626.72	\$0.00
16.	Thompson (Invoices 99012227, 12245) September		\$192,361.83	\$192,361.83	\$0.00
17.	Hayes (Wicker) September		\$180,422.20	\$180,422.20	\$0.00
18.	Hartman (Invoices 735835, 735282) September		\$36,752.80	\$36,752.80	\$0.00
19.	Hayes (Invoices 1022951, 1020930) September		\$81,553.95	\$81,553.95	\$0.00
20.	GEO Solutions (October Invoice)		\$20,870.30	\$20,870.30	\$0.00
21.	Huber (October Invoice)		\$34,018.00	\$34,018.00	\$0.00
22.	Hayes (October Invoices 1028925, 927, 929)		\$240,060.00	\$240,060.00	\$0.00
23.	Hayes (October Invoices 1028934, 937)		\$120,960.00	\$120,960.00	\$0.00
24.	H&K Electric (Oct Invoices 1014320, S8512171.001)		\$48,634.00	\$48,634.00	\$0.00
25.	Pump Solutions (October Invoice 101112)		\$13,026.00	\$13,026.00	\$0.00
26.	Hartman (Nov. Invoices 745559,745560,745607)		\$76,175.68	\$76,175.68	\$0.00
27.	Hayes Pipe (Nov. Invoices 1034105, 1034460, 1032242, 1032203)		\$157,814.00	\$157,814.00	\$0.00
28.	Hayes Pipe (Nov. Invoices 103303, 1031047, 1031060)		\$152,205.05	\$152,205.05	\$0.00
29.	Pump Solutions (Nov. Invoice 2023-11138)		\$21,000.00	\$21,000.00	\$0.00
30.	Aqua Aerobics (Dec. Invoice 1040175)		\$1,175,247.68	\$1,175,247.68	\$0.00
31.	Savaco (Dec. Invoice WEC221194)		\$579,500.00	\$579,500.00	\$0.00
32.	Savaco (Dec. Invoice WE221194-SU)		\$30,500.00	\$30,500.00	\$0.00
33.	Hayes (Dec. Invoice 1037627)		\$139,443.00	\$139,443.00	\$0.00
34.	Hayes (Dec. Invoice 1038881)		\$38,086.00	\$38,086.00	\$0.00
35.	Hayes (Jan. Invoice 1040085)		\$176,506.00	\$176,506.00	\$0.00
36.	Hayes (Jan. Invoice 1039532, 1039533)		\$58,401.00	\$58,401.00	\$0.00
37.	Hartman (Jan. Invoice 750574,750575,750789,750790)		\$65,484.72	\$65,484.72	\$0.00
38.	Hartman (Jan. Invoice 751113)		\$20,623.12	\$20,623.12	\$0.00
39.	Hartman (Feb Invoice 751115,756052,753364,753365)		\$90,324.08	\$90,324.08	\$0.00
40.	Hartman (Feb Invoice 753743,753744,754064,754065)		\$75,671.68	\$75,671.68	\$0.00
41.	Hartman (Feb Invoice 754364,754365,754716)		\$70,901.42	\$70,901.42	\$0.00
42.	Hayes Pipe (Feb Invoice 1046404,1046406,1047532)		\$86,583.00	\$86,583.00	\$0.00
43.	Seguin (Feb Invoice 2301102,2301103)		\$161,560.00	\$161,560.00	\$0.00
44.	Walker (Feb Invoice 025524)		\$179,236.00	\$179,236.00	\$0.00
45.	Newman Regency (Mar Invoice 2260B18166)		\$537,916.00	\$537,916.00	\$0.00
46.	Evoqua (Apr Invoice 906415912)		\$781,850.00	\$781,850.00	\$0.00
47.	EDI (Apr Invoice 304498)		\$155,000.00	\$155,000.00	\$0.00

Item	Description	Received this Period	Original Invoice Amount	Amount Installed to Date	Balance on Hand (\$)
48.	Pump Solutions (Apr Invoice 2024-0332)		\$399,807.00	\$399,807.00	\$0.00
49.	Sequin Fabricators (Apr Invoice 2301104)		\$171,538.00	\$171,538.00	\$0.00
50.	Aqua Aerobics (May Invoice 1041946))		\$187,085.32	\$187,085.32	\$0.00
51.	Walker (May Invoice 025650)		\$173,250.00	\$173,250.00	\$0.00
52.	Pump Soulutions (May Invoice 20240414)		\$117,000.00	\$117,000.00	\$0.00
53.	Hayes Pipe (May Invoices 1055460, 1055902, 1053952, 1056394)		\$61,029.00	\$61,029.00	\$0.00
54.	Seguin (May Invoice 2301105)		\$47,000.00	\$47,000.00	\$0.00
55.	Hartmann (May Invoices 761841, 763623)		\$18,000.63	\$18,000.63	\$0.00
56.	Hartman (Jun Invoice 766290)		\$5,771.00	\$5,771.00	\$0.00
57.	Municipal Valve & Equip (Jun Invoice 30777)		\$7,200.00	\$7,200.00	\$0.00
58.	H&K Electric (Jun Invoice S9292708.001)		\$566,351.28	\$566,351.28	\$0.00
59.	Inovair (Jul Invoice 373781)		\$345,042.00	\$345,042.00	\$0.00
60.	CED - H&K (Aug Inv. 1014288,10143091014320,13276.60)		\$91,315.53	\$91,315.53	\$0.00
61.	Crawford-H&K (Aug Inv. 12117917.003,12117918.002,12117919.002,12219293.02)		\$49,864.72	\$49,864.72	\$0.00
62.	Elliott- H&K (Aug Inv. 30-98792-01)		\$12,710.30	\$12,710.30	\$0.00
63.	Hartmen (Aug Inv. 775274,774504)		\$50,674.73	\$50,674.73	\$0.00
64.	Hayes Pipe (Aug Inv. 1072177, 1072898, 1076853)		\$23,290.00	\$23,290.00	\$0.00
65.	Huber (Aug Inv. I110007747)		\$125,000.00	\$125,000.00	\$0.00
66.	Lindsey - H&K (Aug Inv. 157819)		\$39,573.00	\$39,573.00	\$0.00
67.	WES - H&K (Aug Inv. 512171.001,8528638.007,8528638.009,8528638.013)		\$48,293.04	\$48,293.04	\$0.00
68.	WES - H&K (Aug Inv. 8528638.017,8528638.021,8528638.027,8601278.001))		\$101,470.70	\$101,470.70	\$0.00
69.	Alliance (Sept. Inv. 001549, 001512)		\$81,220.00	\$81,220.00	\$0.00
70.	Global (Sept. Inv. 45997-1, 45997-3, 45997-2)		\$164,472.10	\$164,472.10	\$0.00
71.	Municipal Valve (Sept. Inv. 31399)		\$10,902.00	\$10,902.00	\$0.00
72.	Nixon-H&K (Sept. Inv. S23-6906-1)		\$315,200.00	\$315,200.00	\$0.00
73.	WES-H&K (Sept. Inv. S8528638.035)		\$79,258.10	\$79,258.10	\$0.00
74.	Hartmen (Oct Inv. 782458)		\$9,185.15	\$9,185.15	\$0.00
75.	Hayes (Oct Inv. 1083672)		\$9,964.00	\$9,964.00	\$0.00
76.	Municipal Valve (Oct Inv. 31746)		\$22,800.00	\$22,800.00	\$0.00
77.	Veolia (Nov Inv 24004808 RI 05000)		\$160,588.00	\$160,588.00	\$0.00
78.	Environmental Imp. (Dec Inv 1983ENV.101)		\$167,440.90	\$167,440.90	\$0.00
79.	Global Treat (Dec Inv 45997-6)		\$9,002.50	\$9,002.50	\$0.00
80.	Huber (Dec Inv I110008020)		\$512,977.09	\$512,977.09	\$0.00
81.	Inovair (Dec Inv 378975)		\$46,011.00	\$46,011.00	\$0.00
82.	Inovair (Dec Inv 380013)		\$58,233.00	\$58,233.00	\$0.00
83.	Hayes (Jan Inv 1099083)		\$25,118.00	\$25,118.00	\$0.00
84.	Municipal Valve (Feb Inv 41393B30879)		\$13,506.01	\$13,506.01	\$0.00
85.	Municipal Valve (Feb Inv 41393B31243)		\$6,211.46	\$6,211.46	\$0.00
86.	Global Treat (Mar Inv 45997-5)		\$91,361.00	\$91,361.00	\$0.00
87.	Municipal Valve (Mar Inv 41393B31592)		\$68,149.31	\$68,149.31	\$0.00
88.	Hayes Pipe (Mar Inv 1107878)		\$13,224.04	\$13,224.04	\$0.00
89.	Hayes Pipe (Jul Inv 1127337,1129415,1129416)		\$21,693.00	\$21,693.00	\$0.00
90.	Industrial Corrosion (August Invoice 3373)		\$5,490.00	\$5,490.00	\$0.00
91.	Evoqua (August Invoice 2258)		\$123,191.00	\$123,191.00	\$0.00
92.	Walker (October Invoices)		\$376,656.00	\$276,656.00	\$100,000.00

\$100,000.00



AGENDA ITEM REPORT

Meeting: City Council - May 19 2026

Staff Contact: Garrett Houston, Public Works Director

Department: Parks and Rec

Subject: Presentation of Mount Pleasant Sports Complex Plaque to Council Members



AGENDA ITEM REPORT

Meeting: City Council - May 19 2026

Staff Contact: Candias Webster, City Secretary

Department: Administration

Subject: Discuss and consider accepting the Canvass results of the May 2, 2026, General Election.

Item Summary:

This is a certified copy of the election that has been canvassed by the Titus County Elections Office.

Financial Impact:

n/a

Recommendation(s):

Motion to accept the canvass from the May 2, 2026, General Election.

Attachments:

[Cumulative Results-5-12-2026](#)

Cumulative Results Report

Run Time 9:48 AM
Run Date 05/12/2026

City Council and Hospital Board

May 2, 2026 General Election

5/2/2026

Page 1

Unofficial Results

Registered Voters
541 of 0 = 0.00%

Precincts Reporting
26 of 26 = 100.00%

City of Mt. Pleasant, Council Member, Place 3 VOTE FOR 1 ONLY

Choice	Party	Absentee Voting		Early Voting		Election Day Voting		Total	
Tevin Neal		17	62.96%	74	37.19%	37	44.58%	128	41.42%
Jonathan Hageman		10	37.04%	125	62.81%	46	55.42%	181	58.58%
Cast Votes:		27	100.00%	199	100.00%	83	100.00%	309	100.00%
Undervotes:		1		11		2		14	
Overvotes:		0		0		0		0	

Titus County Hospital Board of Managers- Precinct 1 (Full Term)

Choice	Party	Absentee Voting		Early Voting		Election Day Voting		Total	
Robert Holliday (Rob)		8	100.00%	84	100.00%	40	100.00%	132	100.00%
Cast Votes:		8	100.00%	84	100.00%	40	100.00%	132	100.00%
Undervotes:		4		12		13		29	
Overvotes:		0		0		0		0	

Titus County Hospital Board of Managers- Precinct 3 (Full Term)

Choice	Party	Absentee Voting		Early Voting		Election Day Voting		Total	
Stephen Courreges (Steve)		15	100.00%	39	100.00%	17	100.00%	71	100.00%
Cast Votes:		15	100.00%	39	100.00%	17	100.00%	71	100.00%
Undervotes:		1		21		3		25	
Overvotes:		0		0		0		0	

Titus County Hospital Board of Managers- At Large (Full Term) VOTE FOR 1 ONLY

Choice	Party	Absentee Voting		Early Voting		Election Day Voting		Total	
Susan Pery Gilbert		28	43.75%	115	32.21%	48	41.38%	191	35.57%
Francis Antonio Rundles (Tony)		36	56.25%	242	67.79%	68	58.62%	346	64.43%
Cast Votes:		64	100.00%	357	100.00%	116	100.00%	537	100.00%
Undervotes:		0		2		2		4	
Overvotes:		0		0		0		0	

*** End of report ***



AGENDA ITEM REPORT

Meeting: City Council - May 19 2026

Staff Contact: Candias Webster, City Secretary

Department: Administration

Subject: Swearing in and Oath of Office for Council Members of Place 3, Place 4, and Place 5.

Attachments:

[Place 3 Oath of Office](#)

[Place 4 Oath of Office](#)

[Place 5 Oath of Office](#)

[Certificate of election](#)

In the name and by the authority of

The State of Texas

OATH OF OFFICE

I, Jonathan Hageman, do solemnly swear (or affirm) that I will faithfully execute the duties of the office of the Council Member Place 3, of the City of Mount Pleasant, State of Texas, and will, to the best of my ability, preserve, protect and defend the constitution and laws of the United States and of the state and the charter and ordinances of this city; and furthermore solemnly swear (or affirm) that I have not directly or indirectly paid, offered or promised to pay, contributed, nor promised to contribute any money, or valuable thing, or promised any public office or employment, as a reward for the giving or withholding of a vote at the election at which I was elected, or if the office is one of appointment, to secure my appointment. So, help me, God.

Jonathan Hageman

SWORN TO AND SUBSCRIBED BEFORE ME BY **JONATHAN HAGEMAN** ON
THE 19th DAY OF MAY 2026.

Signature of Person Administering Oath

Printed Name

Title

In the name and by the authority of

The State of Texas

OATH OF OFFICE

I, Kelly Redfearn-Faulkner, do solemnly swear (or affirm) that I will faithfully execute the duties of the office of the Council Member Place 4, of the City of Mount Pleasant, State of Texas, and will, to the best of my ability, preserve, protect and defend the constitution and laws of the United States and of the state and the charter and ordinances of this city; and furthermore solemnly swear (or affirm) that I have not directly or indirectly paid, offered or promised to pay, contributed, nor promised to contribute any money, or valuable thing, or promised any public office or employment, as a reward for the giving or withholding of a vote at the election at which I was elected, or if the office is one of appointment, to secure my appointment. So, help me, God.

Kelly Redfearn-Faulkner

SWORN TO AND SUBSCRIBED BEFORE ME BY **KELLY REDFEARN-FAULKNER** ON THE 19th DAY OF MAY 2026.

Signature of Person Administering Oath

Printed Name

Title

In the name and by the authority of

The State of Texas

OATH OF OFFICE

I, Carl Hinton, do solemnly swear (or affirm) that I will faithfully execute the duties of the office of the Council Member Place 5, of the City of Mount Pleasant, State of Texas, and will, to the best of my ability, preserve, protect and defend the constitution and laws of the United States and of the state and the charter and ordinances of this city; and furthermore solemnly swear (or affirm) that I have not directly or indirectly paid, offered or promised to pay, contributed, nor promised to contribute any money, or valuable thing, or promised any public office or employment, as a reward for the giving or withholding of a vote at the election at which I was elected, or if the office is one of appointment, to secure my appointment. So, help me, God.

Carl Hinton

SWORN TO AND SUBSCRIBED BEFORE ME BY **CARL HINTON** ON THE 19th
DAY OF MAY 2026.

Signature of Person Administering Oath

Printed Name

Title



In the name and by the authority of

The State of Texas

THIS IS TO CERTIFY, that at a general election held on

Any Day, Any Month, Any Year

JOHN DOE was

duly elected ANY

OFFICER

In testimony whereof, I have hereunto signed my name and caused the Seal of _____ to be affixed at the City of _____, this the _____ day of _____, 20_____.

Signature of Presiding Officer of
Canvassing Authority



AGENDA ITEM REPORT

Meeting: City Council - May 19 2026

Staff Contact: Rebecca Elliott, Interim Finance Director

Department: Finance

**Subject: Presentation, discuss, and consider acceptance of the Fiscal Year 2025
Financial Audit**

Item Summary:

Jon Watson of BrooksWatson & Co., PLLC will present the results of the Fiscal Year 2025 Audit.

Recommendation(s):

Motion to accept the 2025 audit

Attachments:

[City of Mount Pleasant - 9.30.25 Report - FINAL](#)



City of Mount Pleasant, Texas

Annual Comprehensive Financial Report

For the Year Ended September 30, 2025

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City of Mount Pleasant, Texas

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REQUIRED SUPPLEMENTARY INFORMATION

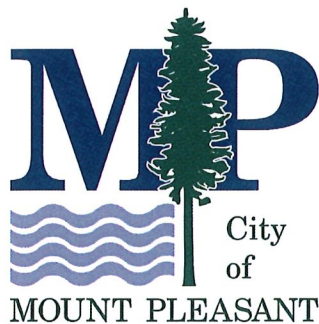
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May 12, 2026

The Honorable Mayor, Members of the City Council, and Citizens of the City of Mount Pleasant, Texas:

The City of Mount Pleasant, Texas requires an audit of the City's financial activities to be conducted by an independent certified public accountant at the end of each fiscal year. Brooks Watson & Co. was selected by the City Council to conduct this year's audit. The independent auditor's report on the basic financial statements is included in the financial section of this report. This report is published to fulfill that requirement for the fiscal year ending September 30, 2025.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control. In developing and maintaining the City's accounting system, consideration is given to the adequacy of the internal control structure. We believe that the City's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Brooks Watson & Co. PLLC, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Mount Pleasant's financial statements for the year ended September 30, 2025. The audit was designed to meet the requirements of the Federal Single Audit Act of 1996 requirements and related Uniform Guidance requirements. The independent auditor's report is located at the front of the financial section of this report. The Annual Comprehensive Financial Report (ACFR) is prepared in accordance with Generally Accepted Accounting Principles (GAAP) in the United States of America established by the Governmental Accounting Standards Board (GASB). The ACFR is presented in three sections: introductory, financial, and statistical.

The Management Discussion and Analysis (MD&A) is a narrative introduction, overview, and analysis to accompany the basic financial statements. The MD&A can be found immediately following the independent auditor's report. This transmittal is designed to complement the MD&A and should be read in conjunction with it.

CITY PROFILE

The City of Mount Pleasant, Texas, the county seat of Titus County, is considered the industrial hub of Northeast Texas offering health care and educational opportunities while experiencing recent growth in housing, retail, hotel and dining. The City of Mount Pleasant consists of approximately thirty square miles and 112 miles of municipal streets. The Parks Department consists of fourteen parks with a total of 795 acres of park land. The Dallas/Fort Worth Metroplex is just an hour and a half drive west on Interstate 30, the Shreveport/Bossier MSA approximately one hundred miles Southeast, and Tyler MSA only sixty-seven miles south. Currently, the City's population is estimated to be 16,295. The city was named for its elevated location, which offered a pleasant view of the surrounding landscape. Initially it served as a hub for farmers and ranchers. Its growth was significantly influenced

by the arrival of the railroad in the late nineteenth century, which connected it to larger markets and facilitated commerce.

Mount Pleasant is a home-rule City operating under the Council-Manager form of government. The City was incorporated on September 17, 1900, under the provision of H.B. 901 of the Texas legislature with an adopted City Charter. Home-rule corporation status is granted under the Constitution and laws of the State of Texas. The City Council is comprised of the Mayor and five Council Members who function as the policy-making body of the City's government, determining the overall goals, objectives, and direction for City services, and adopting the annual operating budgets for all City departments. The City Manager is appointed by the City Council and is responsible for the daily management and implementation of City policy, including appointing various key leaders and department heads. The Mayor and Council Members serve two-year terms. The Mayor and all Council Members are elected at large.

The City is a full-service municipality. Major services provided under general government and enterprise functions include police and fire protection, water and wastewater services, parks and recreational facilities, library services, street improvements, capital projects administration, municipal court, animal services, code enforcement, development and planning services, and general administrative services. The City offers an airport, cemetery and a civic center. The City also offers fleet service operations, property and facility management services, and risk management services.

The City participates in the Texas Municipal Retirement System (TMRS) with a 7% employee contribution and a 2:1 employer match, with five-year vesting and provides comprehensive medical, dental, and life insurance coverage for employees, as well as health and dental coverage for retired employees. An onsite gym available/wellness center, daycare, clinic, specifically for employees.

LOCAL ECONOMY

The information presented in this document is best understood when considered from the broader perspective of the specific environment within which the city operates. The chief industries in and around Mount Pleasant include food processing, manufacturing, healthcare, and education. Higher education is offered from the Northeast Texas Community College campus, with emphasis on Healthcare, Industrial Technology and Agriculture, which supplies needed trades and employment for the area. There are several other major studies offered and dual credit classes to high school students. Primary and secondary education is provided by the Mount Pleasant Independent School District that offers four elementary, two middle and a high school campus.

Additionally, Mount Pleasant has many tourist attractions. The Mid America Flight Museum has numerous vintage and warbird aircraft, many of which are airworthy and actively flown. The municipal airport has a lot of flight stops for fuel from all over with jets that are impressive for our area. The local cheesecake restaurant has expanded to ship their desserts nationally. Mount Pleasant is home to the largest handmade chocolate manufacturer in the country, receiving national recognition for creating over one hundred varieties of handmade pieces. The historic designated downtown is a charming area with dining and boutique shopping. The city has efficiently combined the county museum and library and there are many activities hosted for the community on a regular basis.

For the nature enthusiast there is a country club, numerous parks, trails and a sports complex. Mount Pleasant is surrounded by several lakes offering fishing, boating and recreation. It is located near Lake Bob Sandlin, Lake Cypress Springs, Lake Tankersley, Lake Welsh, Lake Montecillo, Old City Lake, and New City Lake. The area offers a draw for lake life from the Metroplex and Houston area as well as a respected community for locals and retirees. The city actively works with the Mount Pleasant Economic Development Corporation and local industries

to encourage expansion and relocations to the community. The Mount Pleasant area cost of living index is 86–88 meaning it is about 14-15% lower than the U.S. National average and is lower than the State of Texas average.

Economic incentives, as well as property tax exemptions, are available to facilitate business expansions or relocations. According to the Northeast Texas Workforce Development Area Statistics, the Mount Pleasant Micropolitan Statistical Area (MSA) civilian labor force totaled approximately 126,468, reflecting steady workforce with lower unemployment. With recent increases in development and the growth east from the Metroplex, Mount Pleasant is staged for increased progress and development.

FINANCIAL PLANNING AND FISCAL POLICIES

The Basic Financial Statements of the City include all governmental activities, organizations, and functions for which the City is financially accountable, including blended component units as defined by the Governmental Accounting Standards Board (GASB). The City Charter provides that the City Council shall adopt by ordinance an annual budget prepared by the City Manager. This budget is presented to the City Council, and opportunities are provided for public comment during a series of public hearings before adoption. Budgetary control has been established at the individual fund level. The City Manager is authorized to transfer budgeted amounts between line items and departments within any fund; however, any revisions that alter the total revenue or expenditure of any fund must be approved by the City Council. Although the budget is adopted at the fund level, continued line-item review and forecasting are conducted on a monthly and quarterly basis throughout the fiscal year to ensure compliance with the budget and completion of projects. Monthly financials and quarterly investment reports are presented to Council and are in compliance with Texas state statute and the Public Funds Investment Act (PFIA).

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

City management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from unauthorized use or disposition. Management must also ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of the control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework.

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with revenues recognized when measurable and available, and expenditures recorded when the liability is incurred. Proprietary operations are maintained on full accrual basis.

The objective of budgetary controls is to ensure compliance with legal provisions contained in the annual budget approved by the City Council. Activities of the general fund, enterprise funds, special revenue funds and debt service fund are included in the annual budget. The budget is developed and controlled at the department level although appropriations are set at the fund level, and encumbrances are entered at the time a purchase order is issued. Outstanding encumbrances lapse at the fiscal year-end, and the subsequent year's budget must absorb the expenditures when incurred. Separate multi-year budgets are developed for the capital projects funds. Within the policy guidelines set by the Council for budgetary and planning purposes, the City of Mount Pleasant adopted and maintained a Fund Balance Policy. The City's goal is to achieve and maintain an unassigned fund balance in the general fund equal to 16.67% of expenditures. The city considers a balance of less than 8.34% to be cause for concern, barring unusual or deliberate circumstances. If that should occur the City Manager is responsible for delivering a plan

to bring the balance back within the designated percentage and the Finance Director is expected to monitor the balance.

OTHER INFORMATION

The preparation of the ACFR was made possible by the service of the staff in the finance department and our independent auditors and I extend my sincere appreciation to all employees who contributed to its preparation.

I would also like to thank the Mayor and City Council for their interest and support in planning and conducting the financial operations of the City in a responsible manner.

Respectfully Submitted,



Robert G. Vine
City Manager



Rebecca Elliott
Interim Finance Director

CITY OFFICIALS



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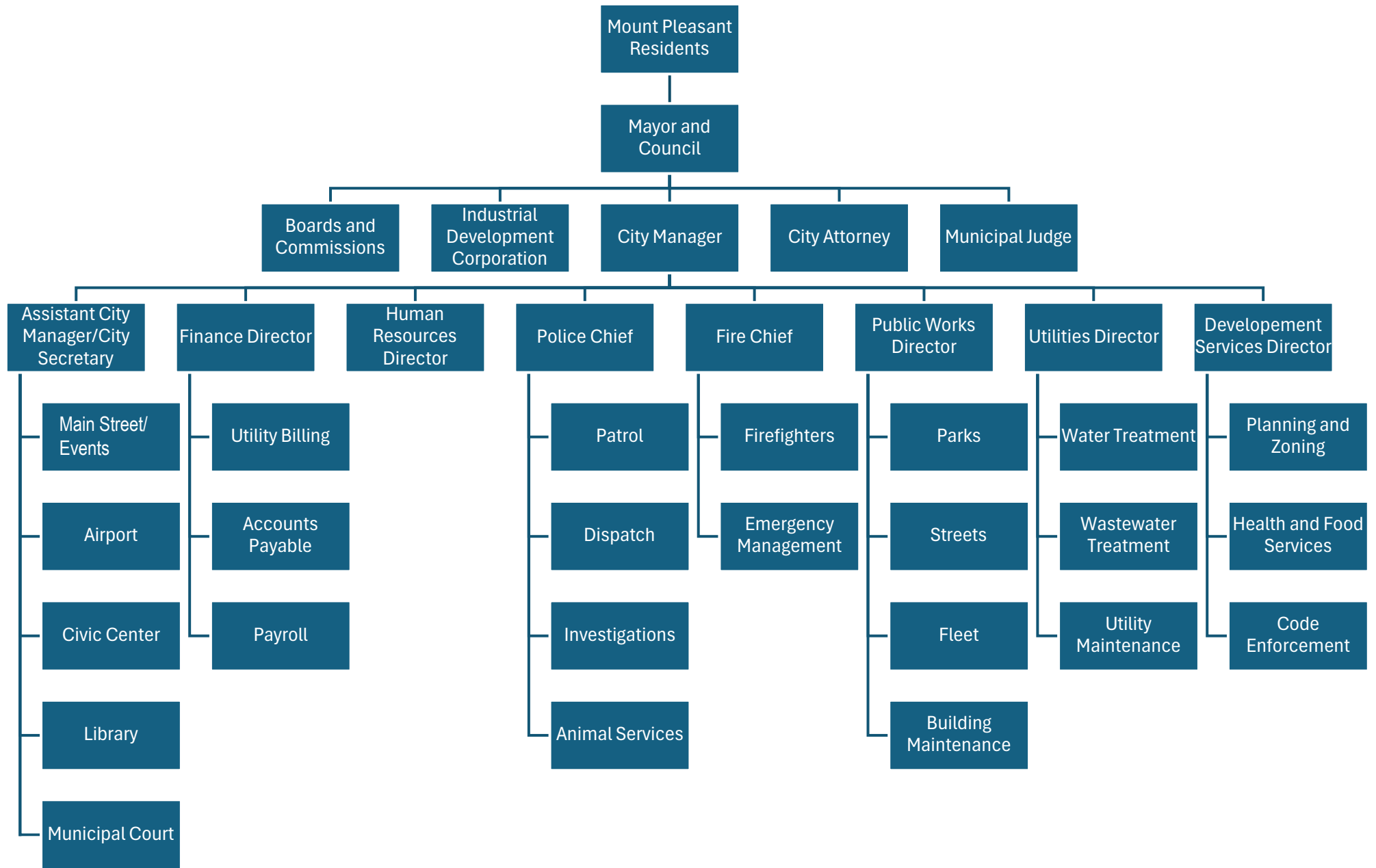
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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Mount Pleasant, Texas:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Mount Pleasant, Texas (the "City") as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Mount Pleasant, Texas, as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. 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

The City's 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 City's ability to continue as a going concern for one year after the date that the financial statements are issued.

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 GAAS 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 GAAS, 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 City's internal control. Accordingly, no such opinion is expressed.
- 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 City'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.

Emphasis of Matter

As discussed in Note V.G. to the financial statements, the City has restated the beginning net position for governmental activities, business-type activities, the water & sewer fund, and the airport fund due to the implementation of GASB 101, *Compensated Absences*, and corrections to the prior year accumulated depreciation balance. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability and related ratios, schedule of employer contributions to pension plan, schedule of changes in other postemployment benefits liability and related ratios, and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

This accompanying supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 13, 2026 on our consideration of the City'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 City'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 the City's internal control over financial reporting and compliance.

Brooks Watson & Co.

Brooks Watson & Co.
Certified Public Accountants
Houston, Texas

May 12, 2026

*MANAGEMENT'S DISCUSSION
AND ANALYSIS*

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City of Mount Pleasant, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

September 30, 2025

As management of the City of Mount Pleasant, Texas (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2025.

Financial Highlights

- The City's total combined net position was \$68,044,216 at September 30, 2025.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$13,428,173, a decrease of \$424,119.
- As of the end of the year, the unassigned fund balance of the general fund was \$3,273,127, which was 22% of annual expenditures.
- The City had an overall increase in net position of \$4,422,253, due to business-type revenues exceeding expenses.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Statements

The government-wide statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

City of Mount Pleasant, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*
September 30, 2025

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, community development, and public works. The business-type activities of the City include water and sewer operations, and airport operations.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Mount Pleasant, Texas maintains eighteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general and street funds, which are considered major funds. Fund data for the remaining nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The City of Mount Pleasant, Texas adopts an annual appropriated budget for its general, street, construction bond funds, debt service, hotel/motel/civic center, cemetery, library, PEG, capital replacement, park improvements, insurance fund, police seizures, and police fund. A budgetary comparison schedule has been provided to demonstrate compliance with each respective fund budget.

Proprietary Funds. The City maintains two proprietary funds, the water & sewer and airport funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water

City of Mount Pleasant, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2025

distribution, wastewater collection/treatment and water construction, and airport operations. The basic proprietary fund financial statements can be found in the basic financial statements of this report.

Component Unit

The City maintains the accounting and financial statements for one component unit. The Mount Pleasant Economic Development District ("MPEDD") is a discretely presented component unit displayed on the government-wide financial statements.

Notes to Financial Statements. The notes to the financial statements provide additional information that is necessary to a full understanding of the data provided in the government-wide and fund financial statements. The notes are the last section of the basic financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* (RSI) concerning the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pension.

Government-Wide Financial Analysis

As noted previously, net position over time, may serve as a useful indicator of the City's financial position. For the City of Mount Pleasant, Texas, assets and deferred outflows exceeded liabilities and deferred inflows by \$68,044,216 as of September 30, 2025.

The largest portion of the City's net position, \$64,277,894, reflects its investments in capital assets (e.g., land, city hall, police station, streets, and drainage systems, as well as the public works facilities), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

Total current and other assets of the primary government as of September 30, 2025 and September 30, 2024 were \$56,349,625 and \$67,255,495, respectively. The decrease of \$10,905,870 was primarily due to available cash being used to purchase new capital improvements and paid down outstanding debt obligations.

Capital assets for business-type activities increased by \$15,502,261 primarily due to new water/sewer infrastructure improvements in the current year.

City of Mount Pleasant, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2025

Total deferred outflows of the primary government decreased by \$1,148,464. The variance is due to actuarial valuation changes for the City's pension liability inputs.

Other liabilities for business-type activities increased by \$2,082,389 primarily due to nonrecurring outstanding payables for new capital purchases and timing of repayments subsequent to yearend.

Total long-term liabilities decreased by \$4,458,464 resulting from principal payments made on outstanding debt and a decline in the City's net pension liability over the course of the year.

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	2025			2024		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and						
other assets	\$ 15,339,728	\$ 41,009,897	\$ 56,349,625	\$ 17,342,648	\$ 49,912,847	\$ 67,255,495
Internal balances	(873,873)	873,873	-	(2,443,729)	2,443,729	-
Capital assets, net	38,486,410	114,006,874	152,493,284	40,256,390	98,504,613	138,761,003
Total Assets	52,952,265	155,890,644	208,842,909	55,155,309	150,861,189	206,016,498
Def. Outflows	2,228,512	541,515	2,770,027	3,157,396	761,095	3,918,491
Other liabilities	3,448,265	9,807,268	13,255,533	3,594,628	7,724,879	11,319,507
Long-term liab.	30,303,489	98,977,453	129,280,942	32,047,246	101,692,160	133,739,406
Total Liabilities	33,751,754	108,784,721	142,536,475	35,641,874	109,417,039	145,058,913
Def. Inflows	840,791	191,454	1,032,245	413,986	88,281	502,267
Net Position:						
Net investment						
in capital assets	21,980,754	42,297,140	64,277,894	23,176,536	38,415,719	61,592,255
Restricted	1,779,219	2,292,154	4,071,373	1,742,576	1,776,799	3,519,375
Unrestricted	(3,171,741)	2,866,690	(305,051)	(2,662,267)	1,924,446	(737,821)
Total Net Pos.	\$ 20,588,232	\$ 47,455,984	\$ 68,044,216	\$ 22,256,845	\$ 42,116,964	\$ 64,373,809

City of Mount Pleasant, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2025

Statement of Activities:

The following table provides a summary of the City's changes in net position:

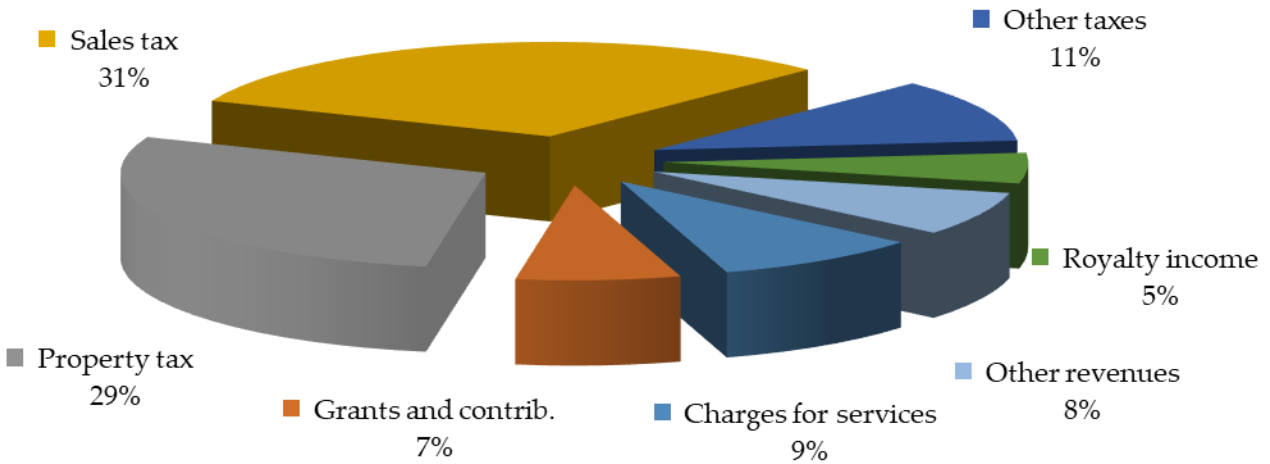
	For the Year Ended September 30, 2025			For the Year Ended September 30, 2024		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
Revenues						
Program revenues:						
Charges for services	\$ 1,893,092	\$ 21,132,813	\$ 23,025,905	\$ 2,486,998	\$ 17,854,701	\$ 20,341,699
Grants and contrib.	1,494,778	1,061,604	2,556,382	565,928	89,150	655,078
General revenues:						
Property tax	5,865,629	-	5,865,629	5,647,591	-	5,647,591
Sales tax	6,451,200	-	6,451,200	6,392,527	-	6,392,527
Other taxes	2,232,124	-	2,232,124	2,225,834	-	2,225,834
Royalty income	1,070,137	-	1,070,137	1,154,586	-	1,154,586
Investment income	557,754	1,813,665	2,371,419	355,402	2,556,217	2,911,619
Other revenues	985,030	-	985,030	442,707	-	442,707
Total Revenues	20,549,744	24,008,082	44,557,826	19,271,573	20,500,068	39,771,641
Expenses						
General government	3,249,313	-	3,249,313	3,825,702	-	3,825,702
Public safety	11,244,441	-	11,244,441	11,034,011	-	11,034,011
Public works	3,341,330	-	3,341,330	3,431,049	-	3,431,049
Parks and recreation	2,846,688	-	2,846,688	3,441,835	-	3,441,835
Water & sewer	-	14,195,735	14,195,735	-	14,451,668	14,451,668
Airport	-	1,748,855	1,748,855	-	1,757,006	1,757,006
Interest on debt	847,524	2,661,687	3,509,211	828,249	2,421,638	3,249,887
Total Expenses	21,529,296	18,606,277	40,135,573	22,560,846	18,630,312	41,191,158
Chg. in Net Position						
Before Transfers	(979,552)	5,401,805	4,422,253	(3,289,273)	1,869,756	(1,419,517)
Transfers in (out)	(89,139)	89,139	-	1,202,766	(1,202,766)	-
Total	(89,139)	89,139	-	1,202,766	(1,202,766)	-
Chg. in Net Position	(1,068,691)	5,490,944	4,422,253	(2,086,507)	666,990	(1,419,517)
Beg. Net Pos., as restated *	21,656,923	* 41,965,040	* 63,621,963	24,343,352	41,449,974	65,793,326
Ending Net Position	\$ 20,588,232	\$ 47,455,984	\$ 68,044,216	\$ 22,256,845	\$ 42,116,964	\$ 64,373,809

*Includes restatement for New Accounting Standard – GASB 101

City of Mount Pleasant, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2025

Graphic presentations of selected data from the summary tables are displayed below to assist in the analysis of the City's activities.

Governmental Activities - Revenues

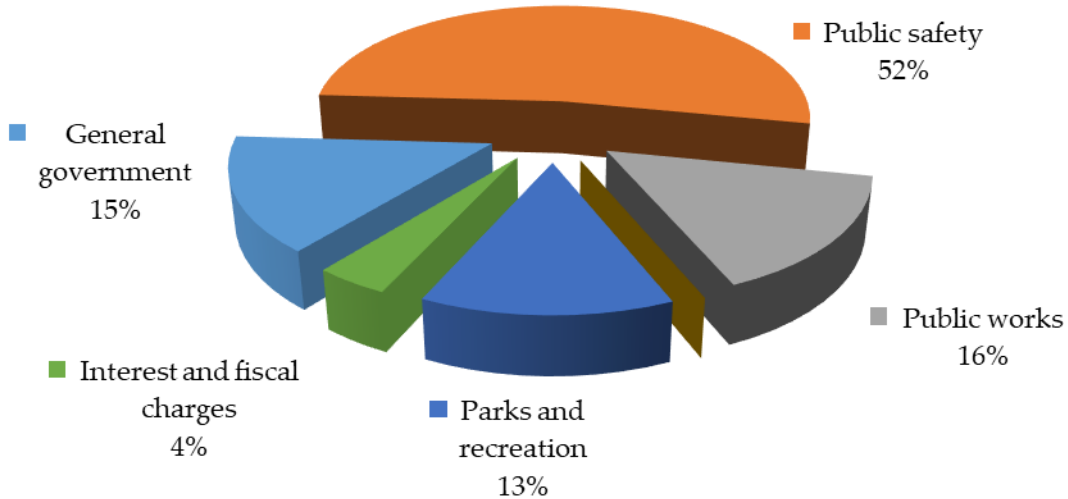


For the year ended September 30, 2025, revenues from governmental activities totaled \$20,549,744. Overall governmental activities revenues increased by \$1,278,171 or 7%. Sales tax and property tax are the City's largest revenue sources. Grants/contributions increased by \$928,850 or over 100% primarily due to nonrecurring grant funding for airport improvements received during the current year. Charges for services decreased by \$593,906 or 24% primarily due to reduced fire protective service revenue, resulting from a decline in monthly fees received from Titus County. Royalty income decreased by \$84,449 or 7% primarily due to a reduction in landfill waste volume compared to the prior year. Investment income increased by \$202,352 or 57% primarily due to greater interest rates earned on interest-bearing accounts in the current year.

City of Mount Pleasant, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2025

This graph shows the governmental function expenses of the City:

Governmental Activities - Expenses

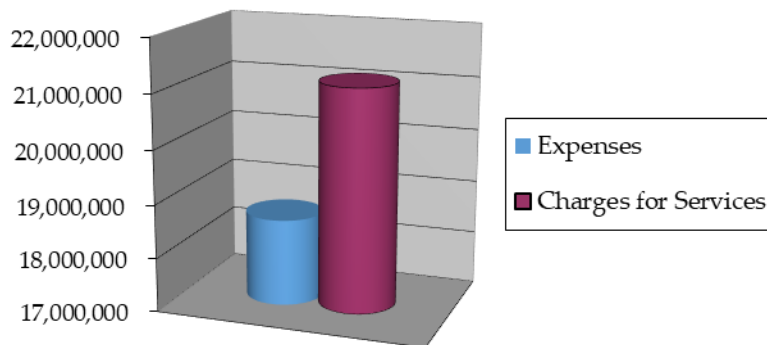


For the year ended September 30, 2025, expenses for governmental activities totaled \$21,529,296. This represents a decrease of \$1,031,550 or 5% from the prior year. The City's largest functional expense is public safety of \$11,244,441, which increased by \$210,430 or 2% and is considered minimal. General government expenses decreased by \$576,389 or 15% primarily due to reduced personnel costs, resulting from staff turnover and declining wages in the current year. Parks and recreation expenses decreased by \$595,147 or 17% primarily due to reduced personnel costs and nonrecurring park maintenance projects in the prior year. All other expenses remained relatively consistent with the previous year.

City of Mount Pleasant, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2025

Business-type activities are shown comparing operating costs to revenues generated by related services.

Business-Type Activities - Revenues and Expenses



For the year ended September 30, 2025, charges for services by business-type activities totaled \$21,132,813. This is an increase of \$3,278,112, or 18%, from the previous year. The increase is primarily a result of greater water/sewer consumption and increased utility service rates over the course of the year.

Total expenses increased by \$24,035, from the previous year, and is considered minimal. Water and sewer and airport departmental expenses also remained consistent with the prior year.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

Governmental Funds - The focus of the City's governmental funds is to provide information of near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the year.

As of the end of the year the general fund reflected a total fund balance of \$3,407,635. The general fund reflected a decrease of \$48,326. Total revenues in the general fund were \$14,861,296 which decreased by \$223,975 when compared to prior year, primarily due to less charges for services in the current year. Total general fund expenditures were \$15,192,589 which decreased by \$1,022,789 when compared to prior year, primarily due to a reduction in general government, public safety, public works, parks & recreation, and library expenses in the current year.

City of Mount Pleasant, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2025

The street fund reflected a fund balance of \$668,766, an increase of \$672,279 over last year. The increase is due to greater franchise taxes and other revenues recorded in the current year.

The parks improvements fund reflected a fund deficit of \$13,788, an improvement of \$3,188, which was strictly the result of investment income earned in the current year.

Proprietary Funds - The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

GENERAL FUND BUDGETARY HIGHLIGHTS

The final budget included increases of: \$356,549 to revenues, \$331,549 to expenditures, and a decrease of \$25,000 to other financing sources. These changes primarily related to greater anticipated miscellaneous revenues, transfers out, and increases to public safety and capital outlays.

There was a negative budget variance of \$105,220 before other financing sources and uses, and a total negative variance of \$105,153 after other financing sources and uses. Total budgeted revenues were less than actual revenue by \$494,834. Total actual expenditures were \$389,614 under budget.

CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested \$38,486,410 in a variety of capital assets and infrastructure, net of accumulated depreciation. Depreciation is included with the governmental capital assets as required by GASB Statement No. 34. The City's business-type activities funds had invested \$114,006,874 in a variety of capital assets and infrastructure, net of accumulated depreciation.

Major capital asset events during the current year include the following:

- Street rehabilitation improvements (\$539,825).
- Purchased new radio equipment (\$95,962).
- Dellwood park improvements (\$39,250).
- Marquee improvements (\$49,980).
- Purchased seven new John Deere Z950Ms (\$79,534).
- Purchased new surveillance system (\$21,652).
- Civic Center bathroom improvements (\$21,889).
- Old Sam Parker field improvements (\$28,000).
- Southwest airport site development (\$1,452,956).
- Airport improvements (\$57,598).
- Dam improvements (\$92,182).
- Purchased new equipment for water/sewer operations (\$156,556).
- West Loop water line construction project (\$7,396,925).

City of Mount Pleasant, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2025

- Wastewater plant improvements (\$6,924,279).
- EDC lift station and force main improvements (\$833,190).
- Water meter optimization project (\$1,274,093).
- Housing Authority water improvements (\$436,418).

More detailed information about the City's capital assets is presented in note IV. C to the financial statements.

LONG-TERM DEBT

At the end of the current year, the City had long-term debt outstanding totaling \$118,369,184 (excluding premiums and discounts). During the year, the City made \$3,642,832 in principal payments on outstanding debt. The City entered into new lease agreements during the year totaling \$72,281. More detailed information about the City's long-term liabilities is presented in note IV. D. to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Mayor and City Council are committed to maintaining and improving the overall wellbeing of the City, and improving services provided to their residents.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City of Mount Pleasant, Texas' finances for all those with an interest in the City's finances. Questions concerning this report or requests for additional financial information should be directed to the City of Mount Pleasant, Texas, Open Records, 501 N. Madison, Mount Pleasant, Texas 75455-3650.

FINANCIAL STATEMENTS

City of Mount Pleasant, Texas
STATEMENT OF NET POSITION (Page 1 of 2)
September 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 12,727,221	\$ 3,344,760	\$ 16,071,981
Restricted cash	249,410	35,465,590	35,715,000
Prepaid items	130,003	53,943	183,946
Receivables, net	2,133,520	2,145,604	4,279,124
Internal balances, net	(873,873)	873,873	-
Total Current Assets	14,366,281	41,883,770	56,250,051
Notes receivable, net of current portion	99,574	-	99,574
Capital assets:			
Non-depreciable	2,100,629	64,514,353	66,614,982
Net depreciable capital assets	36,385,781	49,492,521	85,878,302
Total Noncurrent Assets	38,585,984	114,006,874	152,592,858
Total Assets	52,952,265	155,890,644	208,842,909
Deferred Outflows of Resources			
Deferred OPEB outflows - TMRS	6,656	1,598	8,254
Deferred OPEB outflows - Healthcare	143,717	48,970	192,687
Deferred pension outflows	2,045,819	490,947	2,536,766
Deferred loss on refunding	32,320	-	32,320
Total Deferred Outflows of Resources	2,228,512	541,515	2,770,027

Component Unit

Industrial

Development

District

\$ 7,534,436

-

1,229

604,388

-

8,140,053

-

2,318,133

2,071,607

4,389,740

12,529,793

114

2,250

34,925

-

37,289

City of Mount Pleasant, Texas
STATEMENT OF NET POSITION (Page 2 of 2)
September 30, 2025

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
Liabilities			
Current liabilities:			
Accounts payable	\$ 416,380	\$ 5,734,241	\$ 6,150,621
Accrued liabilities	417,105	-	417,105
Accrued interest payable	355,620	987,319	1,342,939
Customer deposits	-	308,185	308,185
Compensated absences, current	955,250	213,657	1,168,907
Long-term debt due within one year	1,303,910	2,563,866	3,867,776
Total Current Liabilities	3,448,265	9,807,268	13,255,533
Noncurrent liabilities:			
Compensated absences, noncurrent	543,083	155,946	699,029
Long-term debt due in more than one year	22,690,346	97,017,341	119,707,687
Net pension liability	5,669,967	1,360,655	7,030,622
OPEB liabilities - TMRS	355,901	85,408	441,309
OPEB liabilities - Healthcare	1,044,192	358,103	1,402,295
Total Noncurrent Liabilities	30,303,489	98,977,453	129,280,942
Total Liabilities	33,751,754	108,784,721	142,536,475
Deferred Inflows of Resources			
Deferred OPEB inflows - TMRS	94,096	22,581	116,677
Deferred OPEB inflows - Healthcare	8,895	3,741	12,636
Deferred gain on refunding	49,680	-	49,680
Deferred pension inflows	688,120	165,132	853,252
Total Deferred Inflows of Resources	840,791	191,454	1,032,245
Net Position			
Net investment in capital assets	21,980,754	42,297,140	64,277,894
Restricted for:			
Debt service	424,269	2,292,154	2,716,423
Community improvements	461,636	-	461,636
Insurance	364,357	-	364,357
Cemetery	41,547	-	41,547
Development	114,501	-	114,501
Capital projects	368,697	-	368,697
Public safety	4,212	-	4,212
Unrestricted	(3,171,741)	2,866,690	(305,051)
Total Net Position	\$ 20,588,232	\$ 47,455,984	\$ 68,044,216

See Notes to Financial Statements.

Component Unit

Economic

Development

District

\$	107,097
	14,343
	-
	-
	10,346
	-
	<u>131,786</u>
	32,742
	-
	96,792
	6,075
	14,044
	<u>149,653</u>
	<u>281,439</u>
	1,607
	45
	-
	11,747
	<u>13,399</u>
	4,389,740
	-
	7,882,504
	-
	-
	-
	-
	-
	-
\$	<u><u>12,272,244</u></u>

City of Mount Pleasant, Texas

STATEMENT OF ACTIVITIES For the Year Ended September 30, 2025

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 3,249,313	\$ 1,344,333	\$ -	\$ -
Public safety	11,244,441	548,759	17,438	-
Public works	3,341,330	-	-	75,168
Parks and recreation	2,846,688	-	1,402,172	-
Interest and fiscal charges	847,524	-	-	-
Total Governmental Activities	<u>21,529,296</u>	<u>1,893,092</u>	<u>1,419,610</u>	<u>75,168</u>
Business-Type Activities				
Water & sewer	16,857,422	20,008,352	1,000,000	-
Airport	1,748,855	1,124,461	61,604	-
Total Business-Type Activities	<u>18,606,277</u>	<u>21,132,813</u>	<u>1,061,604</u>	<u>-</u>
Total Primary Government	<u>\$ 40,135,573</u>	<u>\$ 23,025,905</u>	<u>\$ 2,481,214</u>	<u>\$ 75,168</u>
Component Unit				
Development District	3,999,737	-	-	-
Total Component Unit Activities	<u>\$ 3,999,737</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues:

- Taxes
 - Property tax
 - Sales tax
 - Franchise tax
 - Mixed beverage taxes
 - Hotel occupancy taxes
- Investment income
- Royalties
- Other revenues

Transfers:

Total General Revenues and Transfers

Change in Net Position

Beginning Net Position, as previously stated

New Acct. Standard - GASB 101

Error correction

Beginning Net Position, as restated

Ending Net Position

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position			Component Unit
Primary Government			Economic
Governmental Activities	Business-Type Activities	Total	Development District
\$ (1,904,980)	\$ -	\$ (1,904,980)	\$ -
(10,678,244)	-	(10,678,244)	-
(3,266,162)	-	(3,266,162)	-
(1,444,516)	-	(1,444,516)	-
(847,524)	-	(847,524)	-
<u>(18,141,426)</u>	<u>-</u>	<u>(18,141,426)</u>	<u>-</u>
-	4,150,930	4,150,930	-
-	(562,790)	(562,790)	-
<u>-</u>	<u>3,588,140</u>	<u>3,588,140</u>	<u>-</u>
<u>(18,141,426)</u>	<u>3,588,140</u>	<u>(14,553,286)</u>	<u>-</u>
			(3,999,737)
			<u>(3,999,737)</u>
5,865,629	-	5,865,629	-
6,451,200	-	6,451,200	2,142,726
1,503,237	-	1,503,237	-
38,457	-	38,457	-
690,430	-	690,430	-
557,754	1,813,665	2,371,419	210,583
1,070,137	-	1,070,137	-
985,030	-	985,030	1,491,663
(89,139)	89,139	-	-
<u>17,072,735</u>	<u>1,902,804</u>	<u>18,975,539</u>	<u>3,844,972</u>
(1,068,691)	5,490,944	4,422,253	(154,765)
22,256,845	41,453,222	63,710,067	12,466,937
(599,922)	(151,924)	(751,846)	(39,928)
-	663,742	663,742	-
21,656,923	41,965,040	63,621,963	12,427,009
<u>\$ 20,588,232</u>	<u>\$ 47,455,984</u>	<u>\$ 68,044,216</u>	<u>\$ 12,272,244</u>

City of Mount Pleasant, Texas

BALANCE SHEET

GOVERNMENTAL FUNDS (Page 1 of 2)

September 30, 2025

	General Fund	Street Fund	Park Improvements	Nonmajor Governmental Funds
<u>Assets</u>				
Cash and cash equivalents	\$ 425,817	\$ 955,800	\$ 1,999,769	\$ 9,345,835
Restricted cash	38,393	-	69,723	141,294
Receivables, net				
Property taxes	150,979	-	-	53,218
Sales taxes	1,103,168	-	-	-
Other taxes	5,998	-	-	587,952
Other receivable	132,364	194,291	-	5,124
Prepaid	115,957	7,163	-	6,883
Due from other funds	2,619,427	-	-	-
Total Assets	\$ 4,592,103	\$ 1,157,254	\$ 2,069,492	\$ 10,140,306
<u>Liabilities</u>				
Accounts payable	\$ 187,839	\$ 34,908	\$ -	\$ 193,633
Accrued liabilities	401,301	15,804	-	-
Due to other funds	444,349	437,776	2,083,280	527,895
Total Liabilities	1,033,489	488,488	2,083,280	721,528
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - prop. taxes	150,979	-	-	53,218
Total Deferred Inflows of Resources	150,979	-	-	53,218

See Notes to Financial Statements.

**Total
Governmental
Funds**

\$ 12,727,221
249,410

204,197
1,103,168
593,950
331,779
130,003
2,619,427

\$ 17,959,155

\$ 416,380
417,105
3,493,300

4,326,785

204,197

204,197

City of Mount Pleasant, Texas

BALANCE SHEET

GOVERNMENTAL FUNDS (Page 2 of 2)

September 30, 2025

	General Fund	Street Fund	Park Improvements	Nonmajor Governmental Funds
<u>Fund Balances</u>				
Nonspendable:				
Prepaid items	\$ 115,957	\$ 7,163	\$ -	\$ 6,883
Notes Receivable	-	-	-	137,512
Restricted for:				
Debt service	-	-	-	371,051
Community improvements	-	-	-	461,636
Insurance	-	-	-	364,357
Cemetery	-	-	-	41,547
Development	-	-	-	114,501
Capital projects	-	-	-	7,936,977
Public safety	-	-	-	4,212
Assigned to:				
Public safety	18,551	-	-	318,905
Library	-	-	-	44,748
Unassigned	3,273,127	661,603	(13,788)	(436,769)
Total Fund Balances	3,407,635	668,766	(13,788)	9,365,560
Total Liabilities, Deferred Inflows of Resources, and Fund Balances				
	\$ 4,592,103	\$ 1,157,254	\$ 2,069,492	\$ 10,140,306

See Notes to Financial Statements.

**Total
Governmental
Funds**

\$ 130,003
137,512

371,051
461,636
364,357
41,547
114,501
7,936,977
4,212

337,456
44,748
3,484,173

13,428,173

\$ 17,959,155

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City of Mount Pleasant, Texas
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
September 30, 2025

Fund Balances - Total Governmental Funds	\$	13,428,173
 Adjustments for the Statement of Net Position:		
Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.		
Capital assets - non-depreciable		2,100,629
Capital assets - net depreciable		36,385,781
 Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.		
Property tax receivable		204,197
 Deferred outflows (inflows) of resources represent a consumption of net assets that applies to a future period(s) and is not recognized as an outflow of resources (expense/expenditure) until then.		
Deferred gain on refunding		(49,680)
Deferred loss on refunding		32,320
Pension contributions		1,150,836
OPEB contributions - TMRS		6,656
Pension difference in experience		894,983
Pension changes in assumptions		(174,014)
Pension investment earnings		(514,106)
OPEB experience - Healthcare		143,717
OPEB experience - TMRS		(24,981)
OPEB changes in assumptions - TMRS		(69,115)
OPEB changes in assumptions - Healthcare		(8,895)
 Some liabilities, including bonds payable and deferred charges are not reported as liabilities in the governmental funds.		
Compensated absences		(1,498,333)
Accrued interest		(355,620)
Premiums on bonds payable		(1,392,036)
Non-current liabilities due in one year		(1,303,910)
Non-current liabilities due in more than one year		(21,298,310)
Net pension liability		(5,669,967)
OPEB liability - TMRS		(355,901)
OPEB liability - Healthcare		(1,044,192)
Net Position of Governmental Activities	\$	20,588,232

See Notes to Financial Statements.

City of Mount Pleasant, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS (Page 1 of 2) For the Year Ended September 30, 2025

	General Fund	Street Fund	Park Improvements	Nonmajor Governmental Funds
Revenues				
Property tax	\$ 4,507,109	\$ -	\$ -	\$ 1,336,249
Sales tax	6,451,200	-	-	-
Mixed beverage taxes	38,457	-	-	-
Hotel occupancy taxes	-	-	-	690,430
Intergovernmental revenue	69,972	-	-	1,424,806
License and permits	459,774	-	-	-
Charges for services	884,559	-	-	-
Fines and forfeitures	548,759	-	-	-
Franchise tax	92,306	1,391,002	-	19,929
Investment income	105,676	31,172	3,188	417,718
Royalties	1,070,137	-	-	-
Other revenues	633,347	133,287	-	178,959
Total Revenues	14,861,296	1,555,461	3,188	4,068,091
Expenditures				
Current:				
General government	2,107,382	-	-	843,517
Public safety	10,217,300	-	-	46,828
Building maintenance	228,227	-	-	-
Public works	545,736	1,201,064	-	-
Parks and recreation	1,308,843	-	-	514,609
Library	578,096	-	-	-
Debt service:				
Principal	117,514	-	-	1,253,040
Interest and fiscal charges	9,957	-	-	1,048,389
Capital outlay	79,534	82,120	-	768,158
Total Expenditures	15,192,589	1,283,184	-	4,474,541
Revenues Over (Under) Expenditures	(331,293)	272,277	3,188	(406,450)

See Notes to Financial Statements.

**Total
Governmental
Funds**

\$ 5,843,358
6,451,200
38,457
690,430
1,494,778
459,774
884,559
548,759
1,503,237
557,754
1,070,137
945,593

20,488,036

2,950,899
10,264,128
228,227
1,746,800
1,823,452
578,096

1,370,554
1,058,346
929,812

20,950,314

(462,278)

City of Mount Pleasant, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS (Page 2 of 2) For the Year Ended September 30, 2025

	General Fund	Street Fund	Park Improvements	Nonmajor Governmental Funds
<u>Other Financing Sources (Uses)</u>				
Transfers in	\$ 900,072	\$ 400,002	-	\$ 790,391
Transfers (out)	(617,105)	-	-	(1,546,919)
Sale of capital assets	-	-	-	39,437
Lease related issuance	-	-	-	72,281
Total Other Financing Sources (Uses)	<u>282,967</u>	<u>400,002</u>	<u>-</u>	<u>(644,810)</u>
Net Change in Fund Balances	(48,326)	672,279	3,188	(1,051,260)
Beg. fund balances, as prev. stated	3,455,961	(3,513)	-	10,399,844
Change in financial reporting (nonmajor to major)	-	-	(16,976)	16,976
Beg. fund balances, as restated	<u>3,455,961</u>	<u>(3,513)</u>	<u>(16,976)</u>	<u>10,416,820</u>
Ending Fund Balances	<u><u>\$ 3,407,635</u></u>	<u><u>\$ 668,766</u></u>	<u><u>\$ (13,788)</u></u>	<u><u>\$ 9,365,560</u></u>

See Notes to Financial Statements.

**Total
Governmental
Funds**

\$	2,090,465
	(2,164,024)
	39,437
	72,281
	<hr/>
	38,159
	<hr/>
	(424,119)
	13,852,292
	-
	13,852,292
	<hr/>
\$	13,428,173
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City of Mount Pleasant, Texas

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2025

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds	\$	(424,119)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Transfers of capital assets to business type activities		(15,580)
Capital asset additions		978,057
Depreciation expense		(2,732,457)

Revenues in the statement of activities that do not provide current financial resources and, therefore, are not reported as revenues in the funds.

Property tax receivable		22,271
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences		162,979
Accrued interest		48,983
Pension expense		(478,298)
OPEB expense		(90,639)
Amortization of debt premium		166,287

The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when they are first issued; whereas, these amounts are deferred and amortized in the statement of activities.

This amount is the net effect of these differences in the treatment of long-term debt and related items.

Amortization deferred loss/gain on debt refunding		(4,448)
Lease related issuance		(72,281)
Principal payments		1,370,554

Change in Net Position of Governmental Activities	\$	(1,068,691)
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See Notes to Financial Statements.

City of Mount Pleasant, Texas

STATEMENT OF NET POSITION PROPRIETARY FUND (Page 1 of 2)

September 30, 2025

	Water & Sewer	Airport	Total
<u>Assets</u>			
<u>Current Assets</u>			
Cash and cash equivalents	\$ 2,787,243	\$ 557,517	\$ 3,344,760
Restricted cash	33,173,436	-	33,173,436
Restricted cash - TWDB bond	2,292,154	-	2,292,154
Due from other funds	920,561	-	920,561
Accounts and other receivables, net	2,145,604	-	2,145,604
Prepaid items	50,090	3,853	53,943
Total Current Assets	41,369,088	561,370	41,930,458
<u>Noncurrent Assets</u>			
Capital assets:			
Non-depreciable	61,020,757	3,493,596	64,514,353
Net depreciable capital assets	45,168,475	4,324,046	49,492,521
Total Noncurrent Assets	106,189,232	7,817,642	114,006,874
Total Assets	147,558,320	8,379,012	155,937,332
<u>Deferred Outflows of Resources</u>			
Deferred OPEB outflows - TMRS	1,434	164	1,598
Deferred OPEB outflows - Healthcare	45,100	3,870	48,970
Deferred pension outflows	440,663	50,284	490,947
Total Deferred Outflows of Resources	\$ 487,197	\$ 54,318	\$ 541,515

See Notes to Financial Statements.

City of Mount Pleasant, Texas

STATEMENT OF NET POSITION PROPRIETARY FUND (Page 2 of 2)

September 30, 2025

	Water & Sewer	Airport	Total
<u>Liabilities</u>			
<u>Current Liabilities</u>			
Accounts payable and accrued liabilities	\$ 5,655,933	\$ 78,308	\$ 5,734,241
Customer deposits	308,185	-	308,185
Compensated absences, current	180,245	33,412	213,657
Long-term debt due within one year	2,557,020	6,846	2,563,866
Accrued interest	987,319	-	987,319
Due to other funds	-	46,688	46,688
Total Current Liabilities	9,688,702	165,254	9,853,956
<u>Noncurrent Liabilities</u>			
Net pension liability	1,221,293	139,362	1,360,655
OPEB liabilities - TMRS	76,660	8,748	85,408
OPEB liabilities - Healthcare	326,492	31,611	358,103
Compensated absences, noncurrent	152,234	3,712	155,946
Debt due in more than one year	97,017,341	-	97,017,341
Total Liabilities	108,482,722	348,687	108,831,409
<u>Deferred Inflows of Resources</u>			
Deferred OPEB inflows - TMRS	20,268	2,313	22,581
Deferred OPEB inflows - Healthcare	3,380	361	3,741
Deferred pension inflows	148,219	16,913	165,132
Total Deferred Inflows of Resources	171,867	19,587	191,454
<u>Net Position</u>			
Net investment in capital assets	34,551,987	7,745,153	42,297,140
Restricted for debt service	2,292,154	-	2,292,154
Unrestricted	2,546,787	319,903	2,866,690
Total Net Position	\$ 39,390,928	\$ 8,065,056	\$ 47,455,984

See Notes to Financial Statements.

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City of Mount Pleasant, Texas

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUND

For the Year Ended September 30, 2025

	Water & Sewer	Airport	Total
<u>Operating Revenues</u>			
Charges for services	\$ 19,704,652	\$ 1,124,359	\$ 20,829,011
Other operating revenue	246,462	-	246,462
Intergovernmental	1,000,000	61,604	1,061,604
Miscellaneous revenue	57,238	102	57,340
Total Operating Revenues	21,008,352	1,186,065	22,194,417
<u>Operating Expenses</u>			
Personnel	3,627,212	318,932	3,946,144
Supplies and services	1,166,151	604,546	1,770,697
Maintenance	491,016	32,876	523,892
Administrative expenses	6,460,215	76,161	6,536,376
Depreciation	2,451,141	715,316	3,166,457
Total Operating Expenses	14,195,735	1,747,831	15,943,566
Operating Income (Loss)	6,812,617	(561,766)	6,250,851
<u>Nonoperating Revenues (Expenses)</u>			
Investment income	1,813,665	-	1,813,665
Interest expense	(2,661,687)	(1,024)	(2,662,711)
Total Nonoperating Revenues (Expenses)	(848,022)	(1,024)	(849,046)
Income (Loss) Before Transfers	5,964,595	(562,790)	5,401,805
Transfers in	-	1,570,485	1,570,485
Transfers (out)	(1,481,346)	-	(1,481,346)
Change in Net Position	4,483,249	1,007,695	5,490,944
Beginning net position, as reported	34,411,841	7,041,381	41,453,222
Error correction	663,742	-	663,742
New Acct. Standard - GASB 101	(167,904)	15,980	(151,924)
Beginning net position, as restated	34,907,679	7,057,361	41,965,040
Ending Net Position	\$ 39,390,928	\$ 8,065,056	\$ 47,455,984

See Notes to Financial Statements.

City of Mount Pleasant, Texas

STATEMENT OF CASH FLOWS

PROPRIETARY FUND (Page 1 of 2)

For the Year Ended September 30, 2025

	Water & Sewer	Airport	Total
<u>Cash Flows from Operating Activities</u>			
Receipts from customers	\$ 20,583,654	\$ 1,186,065	\$ 21,769,719
Payments to employees	(3,485,556)	(308,870)	(3,794,426)
Payments to suppliers and contractors	(6,332,890)	(650,141)	(6,983,031)
Net Cash Provided (Used) by Operating Activities	10,765,208	227,054	10,992,262
<u>Cash Flows from Noncapital Financing Activities</u>			
Transfers in from other funds	-	1,554,905	1,554,905
Transfers (out) to other funds	88,510	-	88,510
Net Cash Provided (Used) by Noncapital Financing Activities	88,510	1,554,905	1,643,415
<u>Cash Flows from Capital and Related Financing Activities</u>			
Purchase of capital assets	(17,113,644)	(1,510,554)	(18,624,198)
Principal paid on capital debt	(2,248,037)	(24,241)	(2,272,278)
Interest paid on capital debt	(2,893,929)	(1,024)	(2,894,953)
Net Cash Provided (Used) by Capital and Related Financing Activities	(22,255,610)	(1,535,819)	(23,791,429)
<u>Cash Flows from Investing Activities</u>			
Interest on investments	1,813,665	-	1,813,665
Net Cash Provided by Investing Activities	1,813,665	-	1,813,665
Net Increase (Decrease) in Cash and Cash Equivalents	(9,588,227)	246,140	(9,342,087)
Beginning cash and cash equivalents	47,841,060	311,377	48,152,437
Ending Cash and Cash Equivalents	\$ 38,252,833	\$ 557,517	\$ 38,810,350

See Notes to Financial Statements.

City of Mount Pleasant, Texas

STATEMENT OF CASH FLOWS

PROPRIETARY FUND (Page 2 of 2)

For the Year Ended September 30, 2025

	Water & Sewer	Airport	Total
<u>Reconciliation of Operating Income (Loss)</u>			
<u>to Net Cash Provided (Used) by Operating</u>			
<u>Activities</u>			
Operating Income (loss)	\$ 6,812,617	\$ (561,766)	\$ 6,250,851
Adjustments to reconcile operating income to net cash provided:			
Depreciation	2,451,141	715,316	3,166,457
Changes in Operating Assets and Liabilities:			
(Increase) Decrease in:			
Accounts receivable	(434,870)	-	(434,870)
Prepaid	(4,423)	156	(4,267)
Deferred outflows/inflows - pension and OPEB	289,461	33,292	322,753
Increase (Decrease) in:			
Accounts payable and accrued liabilities	1,784,492	63,286	1,847,778
Customer deposits	14,595	-	14,595
Net pension liability	(181,203)	(20,677)	(201,880)
OPEB liability	45,037	5,524	50,561
Compensated absences	(11,639)	(8,077)	(19,716)
Net Cash Provided (Used) by Operating Activities	\$ 10,765,208	\$ 227,054	\$ 10,992,262
 <u>Schedule of Non-Cash Capital and Related</u>			
<u>Financing Activities</u>			
Lease liabilities	\$ 28,940	\$ -	\$ 28,940
Transfers of capital assets from govt. activities	-	15,580	15,580
Total Non-Cash Capital and Related Activities	\$ 28,940	\$ 15,580	\$ 44,520

See Notes to Financial Statements.

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City of Mount Pleasant, Texas

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Mount Pleasant, Texas (the "City") was incorporated in 1900 and has a Council/Manager form of government with a City Council comprised of an elected Mayor and five council members. The City provides a full range of municipal services including public safety, streets, parks and recreation, community development, planning and zoning, and general administrative services. In addition, the City provides water and sewer service, civic center, and airport services, as enterprise functions of the City.

As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the City's financial reporting entity. The Mount Pleasant Economic Development Corporation ("EDC") is legally separate and presented as a discretely presented component unit. No other entities have been included in the City's reporting entity. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations or functions in the City's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the City is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the City's financial reporting entity status is that of a primary government are that it has a separately elected governing body; it is legally separate; and is fiscally independent of other state and local governments. Additionally, prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable, and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Discretely Presented Component Unit

Mount Pleasant Economic Development Corporation

The City of Mount Pleasant Economic Development Corporation is governed by a five member board of directors appointed, at will, by the City Council. The Mount Pleasant Economic Development Corporation ("EDC") is a political subdivision of the City of Mount Pleasant, authorized under Chapter 377 of the Texas Government Code, which was formed in 1993 when the citizens of Mount Pleasant approved its creation and authorized it to impose a one-half percent sales tax to finance development projects beneficial to the District. State law allows the

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

District to collect a sales tax up to one-half of one percent, and tax receipts began in 1993. Separate financial statements have not been prepared.

B. Basis of Presentation - Government-Wide and Fund Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds and the proprietary funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water and transit functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category; governmental and proprietary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The government reports the following major governmental funds:

General Fund

The general fund is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include local property taxes, sales and franchise taxes, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, public safety, public works, and community development. The general fund is considered a major fund for reporting purposes.

Street Fund

This fund is a capital projects fund used to account for the administration, operation, and maintenance of the City's streets. The fund also accounts for any street projects while under construction.

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

Park Improvements

This fund is a capital projects fund used to account for the administration, operation, and maintenance of the City's parks.

The City reports the following enterprise funds:

Water and Sewer Fund

This fund is used to account for the provision of water and sewer services to the residents of the City. Activities of the fund include administration, operations and maintenance of the water production and distribution system, water collection and treatment systems. The fund also accounts for the accumulation of resources for and the payment of long-term debt. All costs are financed through charges to utility customers.

Airport Fund

This fund is used to account for the operations of the airport. Activities of the fund include the administration, operation, and maintenance of the airport infrastructure. The fund also accounts for airport projects while under construction.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of 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.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of yearend). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of yearend). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary, pension and other postemployment benefit trust, and private-purpose trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Agency funds have no measurement focus but utilize the *accrual basis of accounting* for reporting its assets and liabilities.

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

D. Assets, Deferred Outflows/Inflows, Liabilities, and Fund Equity or Net Position

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

In accordance with GASB Statement No. 31, *Accounting and Reporting for Certain Investments and External Investment Pools*, the City reports all investments at fair value, except for "money market investments" and "2a7-like pools." Money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported at amortized costs. Investment positions in external investment pools that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, such as TexPool, are reported using the pools' share price.

The City has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, of the Texas Governmental Code. In summary, the City is authorized to invest in the following:

- Direct obligations of the U.S. Government
- Fully collateralized certificates of deposit and money market accounts
- Statewide investment pools

2. Fair Value Measurement

The City has applied 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.

3. Receivables and Interfund Transactions

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds" in the fund financial statements. If the transactions are between the primary government and its component unit, these receivables and payables are classified as "due to/from component unit/primary government." Any residual balances outstanding

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
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between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Advances between funds are offset by a fund balance nonspendable account in the applicable governmental fund to indicate they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of any allowance for uncollectible amounts.

4. 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 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. Penalties are calculated after February 1 up to the date collected. Under state law, property taxes levied on real property constitute a lien on the real property which cannot be forgiven without specific approval of the State Legislature. The lien expires at the end of twenty years. Taxes levied on personal property can be deemed uncollectible by the City.

5. Inventories and Prepaid Items

The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred, (i.e., the purchase method). The inventories are valued at the lower of cost or market using the first-in/first-out method. Certain payments to vendors reflect costs applicable to future accounting periods (prepaid expenditures) are recognized as expenditures when utilized.

6. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government, as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets or similar items are recorded at acquisition value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Interest costs incurred in connection with construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements. 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.

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
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Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful years.

Asset Description	Estimated Useful Life
Vehicles	6 years
Furniture and equipment	5 - 10 years
Infrastructure	30 - 45 years
Buildings	45 years
Buildings improvements	15 – 20 years

7. Deferred outflows/inflows of resources

In addition to assets, the statement of financial 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 assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: property taxes, fines, and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

8. Net Position Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

9. Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

10. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through the following spending constraints:

- Nonspendable fund balance – amounts that are not in spendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority (i.e. City council). To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest level action to remove or change the constraint.
- Assigned fund balance – amounts the City intends to use for a specific purpose. Intent can be expressed by City Council or by an official or body to which the Council delegates the authority.
- Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
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until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing body (council) has by resolution authorized the finance director to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

11. Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consist of unpaid, accumulated vacation and sick balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. Vested or accumulated vacation leave and compensated leave of government-wide and proprietary funds are recognized as an expense and liability of those funds as the benefits accrue to employees.

It is the City's policy to liquidate compensated absences with future revenues rather than with currently available expendable resources. Accordingly, the City's governmental funds recognize accrued compensated absences when it is paid.

12. Long-Term Obligations

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. The long-term debt consists primarily of bonds payable and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payments of principal and interest reported as expenditures. In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims and judgments paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources.

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
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Long-term debt and other obligations, financed by proprietary funds, are reported as liabilities in the appropriate funds. For proprietary fund types, bond premiums, and discounts are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount.

Assets acquired under the terms of leases are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, lease transactions are recorded as other financing sources and as capital outlay expenditures in the general fund. Lease payments representing both principal and interest are recorded as expenditures in the general fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

13. Leases

Lessee: The City is a lessee for noncancellable lease of equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the full-accrual financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The leased asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
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Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

14. Subscription-Based Information Technology Arrangements

The City has adopted the provision of Governmental Accounting Standard Board (GASB) Statement No. 96, entitled Subscription-Based Information Technology Arrangements (“SBITA”). The City has noncancellable contracts with SBITA vendors for the right to use information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets). The City recognizes a subscription liability, reported with long-term debt, and a right-to-use subscription asset (an intangible asset), reported with other capital assets, in the government-wide financial statements. The City recognizes subscription liabilities with an initial, individual value of \$5,000 or more.

At the commencement of an SBITA, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of SBITA payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain initial implementation costs. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying IT assets.

Key estimates and judgments related to SBITAs include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The subscription term includes the noncancellable period of the SBITA.
- Subscription payments included in the measurement of the subscription liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, termination penalties if the City is reasonably certain to exercise such options, subscription contract incentives receivable from the SBITA vendor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The City monitors changes in circumstances that would require a remeasurement of its SBITAs and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

15. Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

16. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

17. Other Postemployment Benefits ("OPEB")

The City has implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This statement applies to the individual employers (TMRS cities) in the TMRS Supplemental Death Benefits (SDB) plan, with retiree coverage. The TMRS SDBF covers both active and retiree benefits with no segregation of assets, and therefore doesn't meet the definition of a trust under GASB No. 75 (i.e., no assets are accumulated for OPEB) and as such the SDBF is considered to be an unfunded OPEB plan. For purposes of reporting under GASB 75, the retiree portion of the SDBF is not considered a cost sharing plan and is instead considered a single employer, defined benefit OPEB plan. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary, calculated based on the employee's actual earnings on which TMRS deposits are made, for the 12-month period preceding the month of death. The death benefit amount for retirees is \$7,500. GASB No. 75 requires the liability of employers and nonemployer contributing entities to employees for defined benefit OPEB (net OPEB liability) to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position.

In addition to the contributions made to TMRS, the City provides certain other post-employment benefits to its retirees and dependents. Full time City employees who retire from the City under the Texas Municipal Retirement System, and who are covered by the City's group hospitalization and medical insurance at the time of retirement, will be eligible to

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

receive the current health plan from age 60 to 65. The City will contribute toward the plan equal to the active individual rate, and the retiree is responsible for the difference.

E. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

The principal operating revenues of the water and sewer and airport fund are charges to customers for sales and services. The water and sewer fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system.

All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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.

The governmental fund balance sheet includes reconciliation between *fund balance-total governmental funds* and *net position-governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds, are not due and payable in the current period and, therefore, are not reported in the funds.

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

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.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities states that, “the issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.”

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the general, and special revenue funds. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control is the fund level. No funds can be transferred or added to a budgeted item without Council approval. Appropriations lapse at the end of the year. Several supplemental budget appropriations were made during the year.

A. Expenditures Over Appropriations

For the year ended, expenditures exceeded appropriations at the legal level of control and as follows:

Debt Service Fund:	
Total expenditures	\$ 7,831
Capital Replacement Fund:	
Total expenditures	\$ 121,547

B. Deficit Fund Balances

As of September 30, 2025, the Hotel/Motel Fund, Park Improvement Fund, and Capital Replacement Fund had deficit fund balances of \$109,575, \$13,788, and \$320,311, respectively. The deficits should be reduced or eliminated in the future with tax revenue and reducing capital outlay expenditures.

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2025, the primary government had the following investments:

<u>Investment Type</u>	<u>Value</u>	<u>Weighted Average Maturity (Years)</u>
External investment pools		
LOGIC	\$ 41,898,498	0.14
Texpool	788,227	0.12
TexasTERM	7,594	0.13
Total fair value	<u>\$ 42,694,319</u>	
Portfolio weighted average maturity		0.13

As of September 30, 2025, the City's component unit had the following investments:

<u>Investment Type</u>	<u>Value</u>	<u>Weighted Average Maturity (Years)</u>
External investment pool - Texpool	\$ 1,747,942	0.12
External investment pool - TexasTERM	2,905,033	0.13
Total fair value	<u>\$ 4,652,975</u>	
Portfolio weighted average maturity		0.12

Interest rate risk In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average of maturity not to exceed one year; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations; monitoring credit ratings of portfolio position to assure compliance with rating requirements imposed by the Public Funds Investment Act; and invest operating funds primarily in short-term securities or similar government investment pools.

Credit risk The City's investment policy limits investments to obligations of the United States, State of Texas, or their agencies and instrumentalities with an investment quality rating of not less than "A" or its equivalent, by a nationally recognized investment rating firm. Other obligations must be unconditionally guaranteed (either express or implied) by the full faith and credit of the United States Government or the issuing U.S. agency and investment pools with an investment quality not less than AAA or AAA-m, or equivalent, by at least one nationally recognized rating service. As of September 30, 2025, the City's investments in TexPool and LOGIC were rated AAAM by Standard & Poor's.

City of Mount Pleasant, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

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Custodial credit risk – deposits In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require that all deposits in financial institutions be insured or fully collateralized by U.S. government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a fair value of not less than the principal amount of the deposits. As of September 30, 2025, the fair values of pledged securities and FDIC exceeded bank balances.

Custodial credit risk – investments For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that it will seek to safekeeping securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, are executed by delivery versus payment to ensure that securities are deposited in the City's safekeeping account prior to the release of funds.

TexPool

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rate TexPool AAAM. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review. At September 30, 2025, the fair value of the portion in TexPool approximates fair value of the shares. There were no limitations or restrictions on withdrawals.

LOGIC

LOGIC is a local government investment pool organized under the authority of the Interlocal Cooperation Act, chapter 791, of the Texas Government Code, and the Public Funds Investment Act, chapter 2256, of the Texas Government Code. The pool was created in April 1994 through a contract among its participating governmental units, and is governed by a board of directors (the board) to provide for the joint investments of participant's public funds and funds under their control. LOGIC's policy seeks to invest pooled assets in a manner that will provide for safety of principal, liquidity in accordance with the operating requirements of the Participants, and a competitive rate of return by utilizing economies of scale and professional investment expertise. Standard & Poor's rates Local Government Investment Cooperative (LOGIC) 'AAAM'. This is Standard & Poor's highest principal stability fund rating and is based on an analysis of the pool's investment portfolio and guidelines, market price

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
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exposure, and management. The rating demonstrates that the pool has an extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk. LOGIC has a conservative investment policy and invests in only authorized investments under the Texas Public Funds Investment Act. To ensure an accurate and current rating, Standard & Poor's monitors pertinent pool information, including the fund's portfolio holdings, on a weekly basis. There were no limitations or restrictions on withdrawals.

TexasTERM

TexasTERM is an external investment pool operated by a private asset management corporation and is not SEC registered. The Texas Interlocal Cooperation Act and the Texas Public Investments Act provide for the creation of public funds investment pools and permit eligible governmental entities to jointly invest their funds in authorized investments. The City participates in both investment options operated by TexasTERM – a daily investment pool (TexasDAILY) and a long-term investment pool (TexasTERM). At September 30, 2025, the fair value of the position in both the TexasTERM investments approximate fair value of the shares. There were no limitations or restrictions on withdrawals.

B. Receivables

The following comprise receivable balances of the primary government at year end:

	<u>General</u>	<u>Street</u>	<u>Nonmajor Government</u>	<u>Water / Sewer</u>	<u>Total</u>
Property tax	\$ 243,715	\$ -	\$ 64,004	\$ -	\$ 307,719
Sales tax	1,103,168	-	-	-	1,103,168
Franchise & local tax	-	194,291	-	-	194,291
Other	5,998	-	160,674	5,814	172,486
Grants	-	-	394,826	-	394,826
Accounts	3,454,341	-	60,738	2,427,172	5,942,251
Allowance	(3,414,713)	-	(33,948)	(287,382)	(3,736,043)
Total	<u>\$ 1,392,509</u>	<u>\$ 194,291</u>	<u>\$ 646,294</u>	<u>\$ 2,145,604</u>	<u>\$ 4,378,698</u>

The City extended loans to 3 local businesses through the Rural Development fund during the fiscal year. Below is the schedule of notes receivable for those loans:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 37,285	\$ 7,197	\$ 44,482
2027	38,047	4,913	42,960
2028	38,178	2,653	40,831
2029	23,349	469	23,818
Thereafter	-	-	-
Total	<u>\$ 136,859</u>	<u>\$ 15,232</u>	<u>\$ 152,091</u>

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
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The discretely presented component unit had \$367,723 in receivables at yearend that related to sales tax and \$236,665 that related to a loan repayment due from a local business, which failed to meet its performance requirements.

C. Capital Assets

A summary of changes in governmental activities capital assets for the year end was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases/ Reclassifications</u>	<u>Ending Balances</u>
Capital assets, not being depreciated:				
Land	\$ 2,100,629	\$ -	\$ -	\$ 2,100,629
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>2,100,629</u>	<u>-</u>	<u>-</u>	<u>2,100,629</u>
Capital assets, being depreciated:				
Buildings	15,009,288	-	-	15,009,288
Improvements	19,096,101	662,164	(15,580)	19,742,685
Infrastructure	29,324,027	-	-	29,324,027
Machinery	7,208,477	167,594	(278,255)	7,097,816
Vehicles	3,172,471	79,534	-	3,252,005
Right-to-use assets (vehicles/equip.)	1,962,859	68,765	(160,000)	1,871,624
SBITAs	293,161	-	-	293,161
Total capital assets being depreciated	<u>76,066,384</u>	<u>978,057</u>	<u>(453,835)</u>	<u>76,590,606</u>
Less accumulated depreciation:				
Buildings	(4,632,990)	(333,385)	-	(4,966,375)
Improvements	(7,747,067)	(864,251)	-	(8,611,318)
Infrastructure	(14,788,780)	(614,454)	-	(15,403,234)
Machinery	(6,775,429)	(206,504)	278,255	(6,703,678)
Vehicles	(2,787,994)	(172,021)	-	(2,960,015)
Right-to-use assets (vehicles/equip.)	(1,032,242)	(458,213)	160,000	(1,330,455)
SBITAs	(146,121)	(83,629)	-	(229,750)
Total accumulated depreciation	<u>(37,910,623)</u>	<u>(2,732,457)</u>	<u>438,255</u>	<u>(40,204,825)</u>
Net capital assets being depreciated	38,155,761	(1,754,400)	(15,580)	36,385,781
Total Capital Assets	<u>\$ 40,256,390</u>	<u>\$ (1,754,400)</u>	<u>\$ (15,580)</u>	<u>\$ 38,486,410</u>

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NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

Depreciation was charged to governmental functions as follows:

General government	\$	212,050
Public safety		780,806
Building maintenance		127,432
Public works		1,242,274
Parks and recreation		219,965
Library		149,930
Total Governmental Activities Depreciation Expense	\$	2,732,457

A summary of changes in business-type activities capital assets for the year end was as follows:

	Beginning Balances	Increases	Decreases/ Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Land	\$ 8,794,228	\$ -	\$ -	\$ 8,794,228
Construction in progress	37,402,263	18,317,862	-	55,720,125
Total capital assets not being depreciated	46,196,491	18,317,862	-	64,514,353
Capital assets, being depreciated:				
Buildings	32,128,432	-	-	32,128,432
Improvements	22,788,049	149,780	15,580	22,953,409
Infrastructure	36,894,759	23,230	-	36,917,989
Machinery	9,069,585	133,326	-	9,202,911
Vehicles	1,583,968	-	-	1,583,968
Right-to-use assets (vehicles/equip.)	475,951	28,940	(26,415)	478,476
SBITAs	187,480	-	-	187,480
Total capital assets being depreciated	103,128,224	335,276	(10,835)	103,452,665
Less accumulated depreciation:				
Buildings	(13,357,782)	(642,170)	-	(13,999,952)
Improvements	(12,725,670)	(1,177,209)	-	(13,902,879)
Infrastructure	(14,991,505)	(724,912)	-	(15,716,417)
Machinery	(8,134,919)	(355,295)	-	(8,490,214)
Vehicles	(1,132,616)	(117,752)	-	(1,250,368)
Right-to-use assets (vehicles/equip.)	(352,624)	(86,625)	26,415	(412,834)
SBITAs	(124,986)	(62,494)	-	(187,480)
Total accumulated depreciation	(50,820,102)	(3,166,457)	26,415	(53,960,144)
Net capital assets being depreciated	52,308,122	(2,831,181)	15,580	49,492,521
Total Capital Assets	\$ 98,504,613	\$ 15,486,681	\$ 15,580	\$ 114,006,874

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

Depreciation was charged to business-type functions as follows:

Water and sewer	\$	2,451,141
Airport		715,316
Total Business-Type Activities Depreciation Expense	\$	<u>3,166,457</u>

A summary of changes in the Mount Pleasant Economic Development Corporation capital assets for the year end was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases/ Reclassifications</u>	<u>Ending Balances</u>
Capital assets, not being depreciated:				
Land	\$ 1,084,625	\$ 1,233,508	\$ -	\$ 2,318,133
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>1,084,625</u>	<u>1,233,508</u>	<u>-</u>	<u>2,318,133</u>
Capital assets, being depreciated:				
Improvements	1,718,691	30,487	-	1,749,178
Infrastructure	2,813,841	-	-	2,813,841
Total capital assets being depreciated	<u>4,532,532</u>	<u>30,487</u>	<u>-</u>	<u>4,563,019</u>
Less accumulated depreciation				
Improvements	(1,451,889)	(95,760)	-	(1,547,649)
Infrastructure	(892,407)	(51,356)	-	(943,763)
Total accumulated depreciation	<u>(2,344,296)</u>	<u>(147,116)</u>	<u>-</u>	<u>(2,491,412)</u>
Net capital assets being depreciated	<u>2,188,236</u>	<u>(116,629)</u>	<u>-</u>	<u>2,071,607</u>
Total capital assets	<u>\$ 3,272,861</u>	<u>\$ 1,116,879</u>	<u>\$ -</u>	<u>\$ 4,389,740</u>

City of Mount Pleasant, Texas

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

D. Long-term Debt

The following is a summary of changes in the City's and Component Unit's total long-term liabilities for the year ended. In general, the City uses the debt service fund to liquidate governmental long-term liabilities.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Certificates of obligations	\$ 15,300,000	\$ -	\$ (180,000)	\$ 15,120,000	\$ 298,971
General obligation bonds	5,345,000	-	(270,000)	5,075,000	295,000
Tax note payable	1,956,759	-	(309,000)	1,647,759	315,000
Lease liabilities	1,001,576	72,281	(457,570)	616,287	332,842
Subscription liabilities	129,828	-	(80,807)	49,021	15,549
Note payable	167,330	-	(73,177)	94,153	46,548
Issuance premium	1,558,323	-	(166,287)	1,392,036	-
Total Govt. Activities	<u>\$ 25,458,816</u>	<u>\$ 72,281</u>	<u>\$ (1,536,841)</u>	<u>\$ 23,994,256</u>	<u>\$ 1,303,910</u>

Long-term Liabilities Due in More than One Year \$ 22,690,346

Business-Type Activities:

Revenue bonds	\$ 14,475,000	\$ -	\$ (1,235,000)	\$ 13,240,000	\$ 1,255,000
Certificates of obligations	82,405,000	-	(520,000)	81,885,000	946,029
GO refunding bonds	460,000	-	(235,000)	225,000	225,000
Issuance discount	(13,146)	-	6,570	(6,576)	-
Issuance premium	3,979,210	-	(158,391)	3,820,819	-
Note payable	443,000	-	(86,000)	357,000	87,000
Subscription liabilities	66,139	-	(66,139)	-	-
Lease liabilities	161,163	28,940	(130,139)	59,964	50,837
Total Bus.-Type Activities	<u>\$ 101,976,366</u>	<u>\$ 28,940</u>	<u>\$ (2,424,099)</u>	<u>\$ 99,581,207</u>	<u>\$ 2,563,866</u>

Long-term Liabilities Due in More than One Year \$ 97,017,341

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. Leases are collateralized by the respective assets being leased. If any default on these leases the City would forfeit the respective asset to the lessor.

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

Long-term debt at year end was comprised of the following debt issues:

Description	Interest Rates	Maturity Date	Original Balance	Current Balance
Governmental Activities:				
2017 Combination tax & revenue cert.	4%	5/15/2038	\$ 8,440,000	\$ 7,395,000
2024 Combination Tax & Rev. Certificates	5%	5/15/2049	7,725,000	7,725,000
	Total Certificates of Obligation		<u>16,165,000</u>	<u>15,120,000</u>
2020 General Obligation Refunding Bond	2%-4%	5/15/2030	2,900,000	1,740,000
2021 General Obligation Refunding Bond	1.19%	5/15/2032	4,457,000	-
2024 General Obligation Refunding Bond	5.00%	5/15/2042	3,335,000	3,335,000
	Total General Obligation Bonds		<u>10,692,000</u>	<u>5,075,000</u>
2022 Tax Note Payable	2.06%	4/15/2029	1,996,000	1,647,759
		Total Tax Notes	<u>1,996,000</u>	<u>1,647,759</u>
Notes Payable	Various	Various	319,218	94,153
Lease liabilities	Various	Various	734,877	616,287
Subscription liabilities	Various	Various	187,479	49,021
	Total Notes Payable and Lease Liabilities		<u>1,241,574</u>	<u>759,461</u>
	Total Governmental Activities		<u>\$ 30,094,574</u>	<u>\$ 22,602,220</u>
Business-Type Activities:				
2008 Utility System Revenue Bonds	1.00%	3/15/2033	\$ 22,905,000	\$ 13,240,000
2016 General Obligation Refunding Bond	2%-2.75%	5/15/2026	7,115,000	225,000
	Total Bonds		<u>30,020,000</u>	<u>13,465,000</u>
2020 Certificates of Obligation	1.15%-4.15%	5/15/2030	3,985,000	3,645,000
2021 Combination Tax & Rev. Certificates	2.25-5%	5/15/2051	55,560,000	55,125,000
2024 Combination Tax & Rev. Certificates	5%	5/15/2049	23,115,000	23,115,000
	Total Certificates		<u>82,660,000</u>	<u>81,885,000</u>
2021 Note Payable	1.23%	11/15/2028	463,000	357,000
Lease liabilities	3.8% - 6.49%	Various	238,482	59,964
	Total Notes Payable and Lease Liabilities		<u>888,961</u>	<u>416,964</u>
	Total Business-Type Activities		<u>\$ 113,568,961</u>	<u>\$ 95,766,964</u>

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

The annual requirements to amortize governmental activities debt issues outstanding at year ending were as follows:

Governmental Activities

Year ending September 30,	General Obligation Bond		Certificates of Obligation		Tax Note Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 298,971	\$ 662,377	\$ 295,000	\$ 236,350	\$ 315,000	\$ 30,683
2027	310,233	651,128	320,000	224,550	322,000	24,122
2028	325,243	639,417	345,000	211,750	328,000	17,428
2029	336,505	625,154	375,000	197,950	682,759	9,408
2030	441,690	610,379	405,000	182,950	-	-
2031-2035	4,830,829	2,553,523	685,000	800,750	-	-
2036-2040	4,288,200	1,491,457	1,685,000	521,250	-	-
2041-2045	2,802,943	704,094	965,000	73,000	-	-
2046-2049	1,485,385	156,280	-	-	-	-
Total	\$ 15,120,000	\$ 8,093,809	\$ 5,075,000	\$ 2,448,550	\$ 1,647,759	\$ 81,641

Governmental Activities

Year ending September 30,	Lease Liabilities		Subscription Liabilities		Note payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 332,842	\$ 24,245	\$ 15,549	\$ 2,451	\$ 46,548	\$ 3,295
2027	170,614	9,220	16,327	1,673	47,605	2,238
2028	82,105	3,110	17,145	857	-	2,238
2029	30,726	460	-	-	-	-
Total	\$ 616,287	\$ 37,035	\$ 49,021	\$ 4,981	\$ 94,153	\$ 7,771

The net book value of governmental activities right-to-use assets as of September 30, 2025 was \$541,169. The net book value of governmental activities SBITA assets as of September 30, 2025 was \$63,411.

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

The annual requirements to amortize business-type activities debt issues outstanding at year ending were as follows:

Business-Type Activities				
Year ending September 30,	Certificates of Obligation &			
	Revenue Bonds		GO Refunding Bonds	
	Principal	Interest	Principal	Interest
2025	\$ 2,201,029	\$ 2,002,842	\$ 225,000	\$ 3,578
2026	2,489,767	1,953,716	-	-
2027	2,549,757	1,723,543	-	-
2028	2,618,495	1,849,112	-	-
2029	2,943,310	1,801,934	-	-
2031-2035	15,109,171	8,260,325	-	-
2036-2040	18,466,800	6,341,767	-	-
2041-2045	23,632,057	4,066,169	-	-
2046-2050	21,474,615	1,732,405	-	-
2051	3,640,000	81,900	-	-
Total	\$ 95,125,000	\$ 29,813,713	\$ 225,000	\$ 3,578

On December 29, 2021, the City entered into a tax note payable agreement for \$463,000 with an interest rate of 1.29%. Principal payments are due in annual installments through November 2028.

Business-Type Activities		
Year ending September 30,	Tax Note Payable	
	Principal	Interest
2026	\$ 87,000	3,586
2027	89,000	2,774
2028	90,000	1,673
2029	91,000	560
Total	\$ 357,000	\$ 8,593

Business-Type Activities		
Year ending September 30,	Lease Liabilities	
	Principal	Interest
2025	\$ 50,837	\$ 1,522
2026	9,127	195
Total	\$ 59,964	\$ 1,717

The net book value of business-type activities right-to-use assets as of September 30, 2025 was \$65,642. The net book value of business-type activities SBITA assets as of September 30, 2025 was \$0.

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

E. Other Long-term Liabilities

The following is a summary of changes in the City’s other long-term liabilities for the year ended. In general, the City uses the general and enterprise funds to liquidate compensated absences.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Compensated Absences	\$ 1,661,312	\$ 792,271	\$ (955,250)	\$ 1,498,333	\$ 955,250
Total Governmental Activities	<u>\$ 1,661,312</u>	<u>\$ 792,271</u>	<u>\$ (955,250)</u>	<u>\$ 1,498,333</u>	<u>\$ 955,250</u>
Long-term Liabilities Due in More than One Year				<u>\$ 543,083</u>	
Business-Type Activities:					
Compensated Absences	\$ 389,319	\$ 193,941	\$ (213,657)	\$ 369,603	\$ 213,657
Total Business-Type Activities	<u>\$ 389,319</u>	<u>\$ 193,941</u>	<u>\$ (213,657)</u>	<u>\$ 369,603</u>	<u>\$ 213,657</u>
Long-term Liabilities Due in More than One Year				<u>\$ 155,946</u>	
Component Unit Activities:					
Compensated Absences	\$ 51,424	\$ 2,010	\$ (10,346)	\$ 43,088	\$ 10,346
Total Component Unit Activities	<u>\$ 51,424</u>	<u>\$ 2,010</u>	<u>\$ (10,346)</u>	<u>\$ 43,088</u>	<u>\$ 10,346</u>
Long-term Liabilities Due in More than One Year				<u>\$ 32,742</u>	

F. Interfund Receivables and Payables

The composition of interfund balances as of September 30, 2025, is as follows:

<u>Due From: Receivable fund</u>	<u>Due To: Payable fund</u>					<u>Total</u>
	<u>General</u>	<u>Street</u>	<u>Park Improv.</u>	<u>Nonmajor Govt.</u>	<u>Airport</u>	
General	\$ -	\$ 437,776	\$ 2,083,280	\$ 51,683	\$ 46,688	\$ 2,619,427
Water and Sewer	444,349	-	-	476,212	-	920,561
Total	<u>\$ 444,349</u>	<u>\$ 437,776</u>	<u>\$ 2,083,280</u>	<u>\$ 527,895</u>	<u>\$ 46,688</u>	<u>\$ 3,539,988</u>

Amounts recorded as “due to/from” are considered to be temporary loans and will be repaid during the following year.

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

G. Interfund Transactions

Transfers between the primary government funds during the year were as follows:

<u>Transfer Out:</u>	<u>Transfer In:</u>				<u>Total</u>
	<u>General</u>	<u>Street</u>	<u>Nonmajor Governmental</u>	<u>Airport</u>	
General	\$ -	\$ -	\$ 617,105	\$ -	\$ 617,105
Nonmajor govt.	72	-	-	1,546,847	1,546,919
Govt. activities	*	-	-	15,580	* 15,580
Water and Sewer	900,000	400,002	173,286	8,058	1,481,346
Total	<u>\$ 900,072</u>	<u>\$ 400,002</u>	<u>\$ 790,391</u>	<u>\$ 1,570,485</u>	<u>\$ 3,660,950</u>

*Represents the amount of capital assets transferred from governmental activities during the year.

Amounts transferred between funds relate to amounts collected by general and enterprise funds for various governmental expenditures, capital expenditures and debt payments.

H. Fund Equity

The City records fund balance restrictions on the fund level to indicate that a portion of the fund balance is legally restricted for a specific future use or to indicate that a portion of the fund balance is not available for expenditures.

The following is a list of fund balances restricted/committed/assigned by the City:

	<u>Governmental Funds</u>		<u>Proprietary Funds</u>
	<u>Restricted</u>	<u>Assigned</u>	<u>Restricted</u>
Debt service	\$ 371,051	\$ -	\$ 2,292,154
Community improvements	461,636	-	-
Insurance	364,357	-	-
Cemetery	41,547	-	-
Development	114,501	-	-
Capital projects	7,936,977	-	-
Public safety	4,212	*	-
Public safety	-	318,905	-
Library	-	44,748	-
Total	<u>\$ 9,294,281</u>	<u>\$ 363,653</u>	<u>\$ 2,292,154</u>

*Restricted by enabling legislation

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

V. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; and natural disasters for which the City participates along with over 2,800 other entities in the Texas Municipal League Intergovernmental Risk Pools. The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

B. Contingent Liabilities

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's management that the resolution of these matters will not have a material adverse effect on the financial condition of the City.

The City owns the land being used for the Pleasant Oaks Landfill within the City of Mount Pleasant. The City leases the landfill to an operating company, Republic, the "lessee", that operates the landfill and pays a royalty to the City based on the volume of activity. As a condition to the lease arrangement between the City and the lessee, the lessee has agreed to assume all closure and post-closure costs associated with the landfill.

C. Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed correctly, a substantial liability to the City could result. The City does not anticipate that it will have an arbitrage liability and performs annual calculations to estimate this potential liability. The City will also engage an arbitrage consultant to perform the calculations in accordance with Internal Revenue Service’s rules and regulations if indicated.

D. Construction Commitments

As of September 30, 2025, the City had the following contractual construction commitments:

Project	Remaining Commitment
West Loop Waste water line	\$ 1,613,259
Wastewater Treatment Plant	5,540,466
LBS WP & Pump Station	282,556
Industrial Park south lift station upgrade	165,191
Total	\$ 7,601,472

E. Pension Plans

Texas Municipal Retirement Systems

1. Plan Description

The City participates as one of 938 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS’s defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available Annual comprehensive financial report (ACFR) that can be obtained at www.tmrs.com.

All eligible employees of the City are required to participate in TMRS.

2. Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the city, within the options available in the state statutes governing TMRS.

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

At retirement, the benefit is calculated as if the sum of the employee’s contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member’s deposits and interest.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

	<u>Plan Year 2024</u>	<u>Plan Year 2023</u>
Employee deposit rate	7.0%	7.0%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age / years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% Repeating Transfers	100% Repeating Transfers
Annuity increase (to retirees)	70% of CPI	70% of CPI

Employees covered by benefit terms

At the December 31, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	115
Inactive employees entitled to but not yet receiving benefits	106
Active employees	174
Total	395

3. Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 15.19% and 15.56% in calendar years

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

2024 and 2025, respectively. The City's contributions to TMRS for the year ended September 30, 2025, were \$1,908,286, and were equal to the required contributions.

4. Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2024, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with 110% of the Public Safety table used for males and 100% of the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the 3.5% and 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS as of December 31, 2022. They were adopted in 2023 and first used in the December 31, 2023 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

The long-term expected rate of return on pension 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. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, Gabriel, Roeder, Smith & Company (GRS) focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Public Equity	35.0%	6.7%
Core Fixed Income	6.0%	4.7%
Non-Core Fixed Income	20.0%	8.0%
Other Public/Private Markets	12.0%	8.0%
Real Estate	12.0%	7.6%
Hedge Funds	5.0%	6.4%
Private Equity	10.0%	11.6%
Total	100.0%	

Discount Rate:

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. 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. Of the total pension liability, \$9,912,744 is related to the primary government and \$136,471 is attributable to the discretely presented component unit.

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
 September 30, 2025

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

Primary Government

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
\$ 16,425,724	\$ 7,030,622	\$ (636,502)

Component Unit

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
\$ 226,137	\$ 96,792	\$ (8,763)

Total

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
\$ 16,651,861	\$ 7,127,414	\$ (645,265)

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

Changes in the Net Pension Liability:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Total Net Pension Liability	Primary Government	Component Unit
Balance at 12/31/23	\$ 54,446,948	\$ 44,397,732	\$ 8,184,909	\$ 8,073,756	\$ 111,153
Changes for the year:					
Service cost	2,238,446	-	2,238,446	2,208,047	30,399
Interest	3,981,611	-	3,981,611	3,927,540	54,071
Difference between expected and actual experience	812,367	-	812,367	801,335	11,032
Changes of assumptions	-	-	-	-	-
Contributions – employer	-	1,948,537	(1,948,537)	(1,922,075)	(26,462)
Contributions – employee	-	897,944	(897,944)	(885,750)	(12,194)
Net investment income	-	5,278,024	(5,278,024)	(5,206,347)	(71,677)
Benefit payments, including refunds of emp. contributions	(2,065,851)	(2,065,851)	-	-	-
Administrative expense	-	(33,796)	33,796	33,337	459
Other changes	-	(790)	790	779	11
Net changes	4,966,573	6,024,068	(1,057,495)	(1,043,134)	(14,361)
Balance at 12/31/24	\$ 59,413,521	\$ 50,421,800	\$ 7,127,414	\$ 7,030,622	\$ 96,792

Pension Plan Fiduciary Net Position:

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

5. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2025, the City recognized pension expense of \$2,509,533. Of this amount, \$2,475,453 is related to the primary government and \$34,080 is attributable to the discretely presented component unit.

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred (Inflows) of Resources
Primary Government:			
Difference between projected and actual investment earnings	\$ -	\$	(637,479)
Differences between expected and actual economic experience	1,109,758		-
Changes in assumptions			(215,773)
Contributions subsequent to the measurement date	1,427,008		-
Component Unit:			
Difference between projected and actual investment earnings	-		(8,776)
Differences between expected and actual economic experience	15,278		-
Changes in assumptions			(2,971)
Contributions subsequent to the measurement date	19,647		-
Total	\$ 2,571,691	\$	(864,999)

The primary government and component unit reported \$1,427,008 and \$19,646, respectively, as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ending September 30, 2026.

	Primary Government	Discretely Presented Component Unit	Total
Year ended December 31:			
2025	\$ 385,480	\$ 5,307	\$ 390,787
2026	770,041	10,601	780,642
2027	(595,887)	(8,204)	(604,091)
2028	(303,128)	(4,173)	(307,301)
2029	-	-	-
Thereafter	-	-	-
	\$ 256,506	\$ 3,531	\$ 260,037

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

6. Supplemental Death Benefits Fund

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee’s annual salary (calculated based on the employee’s actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an “other postemployment benefit,” or OPEB.

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees’ entire careers.

Employees covered by benefit terms

At the December 31, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	66
Inactive employees entitled to but not yet receiving benefits	31
Active employees	174
Total	271

The City’s contributions to the TMRS SDBF for the years ended 2024, and 2025 were \$12,418 and \$11,103, respectively, which equaled the required contributions each year.

Three-Year Contribution Information

Plan/ Calendar Year	Annual Required Contribution (Rate)	Actual Contribution Made (Rate)	Percentage of ARC Contributed
2023	0.11%	0.11%	100.0%
2024	0.09%	0.09%	100.0%
2025	0.09%	0.09%	100.0%

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

Total OPEB Liability

The City's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2024, and the Total OPEB Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total OPEB Liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.60% to 11.85%, including inflation per year
Discount rate	4.08%
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements. For disabled annuitants, the mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the 3.5% and 3% floor.

Discount Rate:

The discount rate used to measure the Total OPEB Liability was 4.08%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2024.

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the OPEB liability of the City, calculated using the discount rate of 4.08%, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (3.08%) or 1-percentage-point higher (5.08%) than the current rate:

Primary Government

1% Decrease	Current Single Rate	1% Increase
3.08%	Assumption 4.08%	5.08%
\$ 526,376	\$ 441,309	\$ 374,360

Component Unit

1% Decrease	Current Single Rate	1% Increase
3.08%	Assumption 4.08%	5.08%
\$ 7,246	\$ 6,075	\$ 5,153

Total

1% Decrease	Current Single Rate	1% Increase
3.08%	Assumption 4.08%	5.08%
\$ 533,622	\$ 447,384	\$ 379,513

Changes in the Total OPEB Liability:

	Total OPEB Liability	Component Unit	Primary Government
Balance at 12/31/23	\$ 440,980	\$ 5,988	\$ 434,992
Changes for the year:			
Service Cost	21,807	296	21,511
Interest	16,818	228	16,590
Difference between expected and actual experience	3,761	51	3,710
Changes of assumptions	(24,437)	(332)	(24,105)
Benefit payments	(11,545)	(157)	(11,388)
Net changes	6,404	87	6,317
Balance at 12/31/24	\$ 447,384	\$ 6,075	\$ 441,309

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2025, the City recognized OPEB expense of \$14,669. Of this amount, \$14,470 is related to the primary government and \$199 is attributable to the discretely presented component unit.

At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Primary Government:		
Contributions subsequent to measurement date	\$ 8,254	\$ -
Difference in experience	-	(30,976)
Change in assumptions	-	(85,701)
Component Unit:		
Contributions subsequent to measurement date	114	-
Difference in experience	-	(426)
Change in assumptions	-	(1,181)
Total	\$ 8,368	\$ (118,284)

The primary government and component unit reported \$8,254 and \$114, respectively, as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ending September 30, 2026.

Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

	Primary Government	Discretely Presented Component Unit	Total
Year ended December 31:			
2025	\$ (29,292)	\$ (404)	\$ (29,696)
2026	(43,457)	(598)	(44,055)
2027	(38,628)	(532)	(39,160)
2028	(1,376)	(19)	(1,395)
2029	(3,295)	(45)	(3,340)
Thereafter	(629)	(9)	(638)
	\$ (116,677)	\$ (1,607)	\$ (118,284)

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
 September 30, 2025

F. Other Post-Employment Benefits

Health Care Benefit Provided by Plan

The City offers a single-employer OPEB plan. For eligible retirees (age 60 to 65 with service), the City provides a flat subsidy per month, based on the premium of the High Deductible Health Plan (HDHP) of the current fiscal year. The monthly subsidy was equal to \$411.

Discount Rate

The discount rate used to measure the Total OPEB Liability was 4.77%. The discount rate was based on the Bond Buyer GO Bond 20 Year Index rate as of September 30, 2025.

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the net OPEB liability of the City, calculated using the discount rate of 4.77%, as well as what the City's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (3.77%) or 1-percentage-point higher (5.77%) than the current rate:

Primary Government

1% Decrease	Current Single Rate	1% Increase
3.06%	Assumption 4.06%	5.06%
\$ 1,542,480	\$ 1,402,295	\$ 1,277,413

Component Unit

1% Decrease	Current Single Rate	1% Increase
3.06%	Assumption 4.06%	5.06%
\$ 15,448	\$ 14,044	\$ 12,793

Total

1% Decrease	Current Single Rate	1% Increase
3.06%	Assumption 4.06%	5.06%
\$ 1,557,928	\$ 1,416,339	\$ 1,290,206

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

Healthcare Cost Trend

Primary Government

1% Decrease 3.50%	Current Single Rate Assumption 4.50%	1% Increase 5.50%
\$ 1,264,169	\$ 1,402,295	\$ 1,567,062

Component Unit

1% Decrease 3.50%	Current Single Rate Assumption 4.50%	1% Increase 5.50%
\$ 12,661	\$ 14,044	\$ 15,694

Total

1% Decrease 3.50%	Current Single Rate Assumption 4.50%	1% Increase 5.50%
\$ 1,276,830	\$ 1,416,339	\$ 1,582,756

Changes in the Total OPEB Liability

	Total OPEB Liability	Component Unit	Primary Government
Balance at 9/30/2023	\$ 1,314,317	\$ 13,032	\$ 1,301,285
Changes for the year:			
Service Cost	85,109	844	84,265
Interest	56,023	556	55,467
Difference between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Benefit payments	(39,110)	(388)	(38,722)
Net changes	102,022	1,012	101,010
Balance at 9/30/2024	\$ 1,416,339	\$ 14,044	\$ 1,402,295

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2025, the City recognized OPEB expense of \$182,117. Of this amount, \$180,311 is related to the primary government and \$1,806 is attributable to the discretely presented component unit.

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

Employees covered by benefit terms

At the September 30, 2024 valuation (the most recent available date) and measurement date, the following employees were covered by the benefit terms:

<u>Status</u>	<u>Employee</u>	<u>Employee & Spouse</u>
Inactive employees or beneficiaries currently receiving benefits	1	-
Active employees	103	58
Total	104	57

Funding Status and Funding Progress

Actuarial valuations of an ongoing program involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Program and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of Program, assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. The valuation dated and measured as of September 30, 2024, uses the mortality table: RPH-2014 Total Table with Projection MP-2021.

Actuarial Methods and Assumptions

There have been no substantive changes in the retiree plan since the last full valuation. Therefore, the interim-year projection study is based on the census information, benefit schedules and costs for the fiscal year 2024 actuarial valuation for the development of the GASB 75 disclosures related to OPEB benefits for the year ended September 30, 2025.

Projections of benefits for financial reporting purposes are based on the substantive program (the program as understood by the employer and the Program members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Program members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

The following is a summary of the actuarial assumptions:

Actuarial Cost Method	Entry Age Normal Cost
Amortization Method	Level Percent-of-Payroll
Asset Valuation Method	N/A
Discount Rate	4.06%
Inflation Rate	2.5%
Salary Growth	3.5%
Healthcare Cost Trend Rate (Initial/Ultimate)	4.5% for medical

At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to the Healthcare OPEB liability from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred (Inflows) of Resources</u>
Component Unit:		
Difference in experience	\$ 2,250	\$ -
Change in assumptions	-	(45)
Primary Government:		
Difference in experience	192,687	-
Change in assumptions	-	(12,636)
Total	<u>\$ 194,937</u>	<u>\$ (12,681)</u>

Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

	Primary	Discretely Presented	Total
Year ended September 30:	Government	Component Unit	Total
2026	\$ 40,687	\$ 298	\$ 40,985
2027	27,944	280	28,224
2028	14,233	143	14,376
2029	28,362	284	28,646
2030	36,292	363	36,655
Thereafter	32,533	837	33,370
	<u>\$ 180,051</u>	<u>\$ 2,205</u>	<u>\$ 182,256</u>

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

G. Restatements

The City has restated the beginning net position/fund balance for governmental activities, business-type activities, the water & sewer fund, and the airport fund due to the implementation of GASB 101, *Compensated Absences*, and corrections to the prior year accumulated depreciation balance. The restatement of the beginning net position/fund balance is as follows:

	Governmental Activities
Beg. net position/fund balance, as reported	\$ 22,256,845
New Acct. Standard - GASB 101	(599,922)
Restated beginning net position	\$ 21,656,923

	Business-Type Activities	Water & Sewer	Airport
Beg. net position/fund balance, as reported	\$ 41,453,222	\$ 34,411,841	\$ 7,041,381
New Acct. Standard - GASB 101	(151,924)	(167,904)	15,980
Correction to prior year accumulated depreciation	663,742	663,742	-
Restated beginning net position	\$ 41,965,040	\$ 34,907,679	\$ 7,057,361

H. Subsequent Events

There were no material subsequent events through May 12, 2026, the date the financial statements were available to be issued.

I. New Accounting Standards

The City adopted GASB 101, *Compensated Absences*, during the year. The goal of the standard is to create a more consistent model for accounting for compensated absences that can be applied to all types of compensated absence arrangements.

The new guidance introduces three criteria for recording a liability in financial statements prepared using the economic resources measurement focus (often referred to as a “full accrual” basis). A liability should be recognized for leave that has not been used if all of the following are true:

- The leave is attributable to services already rendered.
- The leave accumulates.
- The leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means (likelihood of more than 50 percent).

This standard was applied retroactively and resulted in a sick leave liability of \$751,846, which was included within compensated absences as of September 30, 2024.

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REQUIRED SUPPLEMENTARY INFORMATION

City of Mount Pleasant, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND (Page 1 of 2)

For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Property tax	\$ 4,539,526	\$ 4,539,526	\$ 4,507,109	\$ (32,417)
Sales tax	6,859,455	6,859,455	6,451,200	(408,255)
Mixed beverage tax	34,300	34,300	38,457	4,157
Franchise and local taxes	140,000	140,000	92,306	(47,694)
License and permits	354,500	354,500	459,774	105,274
Charges for services	840,000	840,000	884,559	44,559
Intergovernmental revenue	2,800	2,800	69,972	67,172
Fines and forfeitures	671,500	671,500	548,759	(122,741)
Investment income	130,000	130,000	105,676	(24,324)
Royalties	1,250,000	1,250,000	1,070,137	(179,863)
Other revenues	177,500	534,049	633,347	99,298
Total Revenues	14,999,581	15,356,130	14,861,296	(494,834)
<u>Expenditures</u>				
Current:				
General government	2,089,965	2,059,265	2,107,382	(48,117)
Public safety	10,196,112	10,337,511	10,217,300	120,211
Building maintenance	241,296	256,696	228,227	28,469
Public works	610,599	606,049	545,736	60,313
Parks and recreation	1,501,436	1,501,436	1,308,843	192,593
Library	611,246	611,246	578,096	33,150
Capital outlay	-	210,000	79,534	130,466
Debt service:				
Principal	-	-	117,514	(117,514)
Interest and fiscal charges	-	-	9,957	(9,957)
Total Expenditures	15,250,654	15,582,203	15,192,589	389,614
Revenues Over (Under)				
Expenditures	(251,073)	(226,073)	(331,293)	(105,220)

City of Mount Pleasant, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND (Page 2 of 2)

For the Year Ended September 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	\$ 900,000	\$ 900,000	\$ 900,072	\$ 72
Transfers (out)	(592,100)	(617,100)	(617,105)	(5)
Total Other Financing Sources (Uses)	<u>307,900</u>	<u>282,900</u>	<u>282,967</u>	<u>67</u>
Net Change in Fund Balance	<u>\$ 56,827</u>	<u>\$ 56,827</u>	<u>(48,326)</u>	<u>\$ (105,153)</u>
Beginning fund balance			<u>3,455,961</u>	
Ending Fund Balance			<u><u>\$ 3,407,635</u></u>	

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

See Notes to Financial Statements

City of Mount Pleasant, Texas

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS TEXAS MUNICIPAL RETIREMENT SYSTEM

Years Ended December 31,

	¹ <u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total pension liability				
Service cost	\$ 2,238,446	\$ 2,138,443	\$ 1,874,819	\$ 1,662,375
Interest	3,981,611	3,692,323	3,404,596	3,112,315
Differences between expected and actual experience	812,367	674,273	484,957	1,045,824
Changes of assumptions	-	(421,286)	-	-
Benefit payments, including refunds of participant contributions	(2,065,851)	(1,630,162)	(1,636,944)	(1,556,366)
Net change in total pension liability	<u>4,966,573</u>	<u>4,453,591</u>	<u>4,127,428</u>	<u>4,264,148</u>
Total pension liability - beginning	<u>\$ 58,900,538</u>	<u>\$ 54,446,947</u>	<u>\$ 50,319,519</u>	<u>\$ 46,055,371</u>
Total pension liability - ending (a)	<u>\$ 63,867,111</u>	<u>\$ 58,900,538</u>	<u>\$ 54,446,947</u>	<u>\$ 50,319,519</u>
Plan fiduciary net position				
Contributions - employer	\$ 1,948,537	\$ 1,940,675	\$ 1,637,012	\$ 1,448,298
Contributions - members	897,944	893,144	776,552	693,069
Net investment income	5,278,024	5,147,156	(3,438,761)	5,367,344
Benefit payments, including refunds of participant contributions	(2,065,851)	(1,630,162)	(1,636,944)	(1,556,366)
Administrative expenses	(33,796)	(32,690)	(29,723)	(24,807)
Other	(790)	(228)	35,468	170
Net change in plan fiduciary net position	<u>6,024,068</u>	<u>6,317,895</u>	<u>(2,656,396)</u>	<u>5,927,708</u>
Plan fiduciary net position - beginning	<u>50,715,629</u>	<u>44,397,734</u>	<u>47,054,130</u>	<u>41,126,422</u>
Plan fiduciary net position - ending (b)	<u>\$ 56,739,697</u>	<u>\$ 50,715,629</u>	<u>\$ 44,397,734</u>	<u>\$ 47,054,130</u>
Fund's net pension liability - ending (a) - (b)	<u>\$ 7,127,414</u>	<u>\$ 8,184,909</u>	<u>\$ 10,049,213</u>	<u>\$ 3,265,389</u>
 Plan fiduciary net position as a percentage of the total pension liability	 88.84%	 86.10%	 81.54%	 93.51%
Covered payroll	\$ 12,827,768	\$ 12,759,207	\$ 11,093,605	\$ 9,900,982
Fund's net position as a percentage of covered payroll	55.56%	64.15%	90.59%	32.98%

Notes to schedule:

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$	1,585,135	\$ 1,418,226	\$ 1,429,608	\$ 1,329,605	\$ 1,227,492	\$ 1,115,182
	2,906,099	2,718,098	2,516,855	2,344,212	2,180,101	2,111,839
	205,878	(13,552)	262,972	(25,061)	(1,282)	(293,769)
	-	100,803	-	-	-	160,204
	(1,804,971)	(1,238,689)	(1,206,054)	(1,076,107)	(976,083)	(1,065,821)
	<u>2,892,141</u>	<u>2,984,886</u>	<u>3,003,381</u>	<u>2,572,649</u>	<u>2,430,228</u>	<u>2,027,635</u>
\$	<u>43,163,230</u>	\$ <u>40,178,344</u>	\$ <u>37,174,963</u>	\$ <u>34,602,314</u>	\$ <u>32,172,086</u>	\$ <u>30,144,451</u>
\$	<u>46,055,371</u>	\$ <u>43,163,230</u>	\$ <u>40,178,344</u>	\$ <u>37,174,963</u>	\$ <u>34,602,314</u>	\$ <u>32,172,086</u>
\$	1,446,120	\$ 1,258,146	\$ 1,262,297	1,202,940	1,094,829	1,058,856
	675,758	583,632	579,795	543,965	499,271	463,831
	2,883,280	5,009,166	(981,247)	3,907,476	1,746,137	37,417
	(1,804,971)	(1,238,689)	(1,206,054)	(1,076,107)	(976,083)	(1,065,821)
	(18,638)	(28,270)	(18,947)	(20,234)	(19,713)	(22,790)
	(727)	(849)	(990)	(1,025)	(1,062)	(1,126)
	<u>3,180,822</u>	<u>5,583,136</u>	<u>(365,146)</u>	<u>4,557,015</u>	<u>2,343,379</u>	<u>470,367</u>
	<u>37,945,600</u>	<u>32,362,464</u>	<u>32,727,610</u>	<u>28,170,595</u>	<u>25,827,216</u>	<u>25,356,849</u>
\$	<u>41,126,422</u>	\$ <u>37,945,600</u>	\$ <u>32,362,464</u>	\$ <u>32,727,610</u>	\$ <u>28,170,595</u>	\$ <u>25,827,216</u>
\$	<u>4,928,949</u>	\$ <u>5,217,630</u>	\$ <u>7,815,880</u>	\$ <u>4,447,353</u>	\$ <u>6,431,719</u>	\$ <u>6,344,870</u>
	89.30%	87.91%	80.55%	88.04%	81.41%	80.28%
\$	9,653,686	\$ 8,337,600	\$ 8,282,780	\$ 7,770,922	\$ 7,132,436	\$ 6,626,153
	51.06%	62.58%	94.36%	57.23%	90.18%	95.75%

City of Mount Pleasant, Texas

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN TEXAS MUNICIPAL RETIREMENT SYSTEM

Years Ended:

	9/30/2025	9/30/2024	9/30/2023	9/30/2022
Actuarially determined employer contributions	\$ 1,908,286	\$ 1,985,834	\$ 1,885,663	\$ 1,599,718
Contributions in relation to the actuarially determined contribution	\$ 1,908,286	\$ 1,985,834	\$ 1,885,663	\$ 1,599,718
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Annual covered-employee payroll	\$ 12,336,312	\$ 13,068,977	\$ 12,486,421	\$ 10,862,816
Employer contributions as a percentage of covered-employee payroll	15.47%	15.20%	15.10%	14.73%

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	21 years (longest amortization ladder)
Asset Valuation Method	10 Year smoothed fair value; 12% soft corridor
Inflation	2.5%
Salary Increases	3.60% to 11.85% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.

Mortality Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

Other Information:

Notes There were no benefit changes during the year.

<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>9/30/2016</u>
\$ 1,433,992	\$ 1,343,731	\$ 1,267,196	\$ 1,252,188	\$ 1,104,101	\$ 1,017,114
\$ 1,433,992	\$ 1,343,731	\$ 1,267,196	\$ 1,252,188	\$ 1,104,101	\$ 1,017,114
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 9,738,728	\$ 8,955,953	\$ 8,377,947	\$ 8,186,857	\$ 7,132,436	\$ 6,626,153
14.72%	15.00%	15.13%	15.30%	15.48%	15.35%

City of Mount Pleasant, Texas

SCHEDULE OF CHANGES IN POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) LIABILITY AND RELATED RATIOS TEXAS MUNICIPAL RETIREMENT SYSTEM SUPPLEMENTAL DEATH BENEFITS PLAN

Years Ended December 31,

	¹ 2024	2023	2022	2021
Total OPEB liability				
Service cost	\$ 21,807	\$ 20,414	\$ 39,937	\$ 31,683
Interest	16,818	16,582	11,816	11,828
Differences between expected and actual experience	3,761	(9,312)	(48,215)	(7,289)
Changes of assumptions	(24,437)	21,087	(214,511)	20,363
Benefit payments, including refunds of participant contributions	(11,545)	(14,035)	(9,985)	(9,901)
Net change in total OPEB liability	6,404	34,736	(220,958)	46,684
Total OPEB liability - beginning	\$ 440,980	\$ 406,244	\$ 627,202	\$ 580,518
Total OPEB liability - ending	² \$ 447,384	\$ 440,980	\$ 406,244	\$ 627,202
Covered-employee payroll	\$ 12,827,768	\$ 12,759,207	\$ 11,093,605	\$ 9,900,982
Fund's net position as a percentage of covered-employee payroll	3.49%	3.46%	3.66%	6.33%

Notes to schedule:

¹ This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

² No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay related benefits.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
\$ 27,030	\$ 14,174	\$ 18,222	\$ 14,765
13,253	14,493	13,303	12,968
(10,287)	(22,420)	(6,872)	-
84,041	82,204	(30,116)	33,349
<u>(3,861)</u>	<u>(3,335)</u>	<u>(4,141)</u>	<u>(3,885)</u>
<u>110,176</u>	<u>85,116</u>	<u>(9,604)</u>	<u>57,197</u>
\$ <u>470,342</u>	\$ <u>385,226</u>	\$ <u>394,830</u>	\$ <u>337,633</u>
\$ <u>580,518</u>	\$ <u>470,342</u>	\$ <u>385,226</u>	\$ <u>394,830</u>
\$ 9,653,686	\$ 8,282,780	\$ 8,282,780	\$ 7,770,922
6.01%	5.68%	4.65%	5.08%

City of Mount Pleasant, Texas

SCHEDULE OF CHANGES IN POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) LIABILITY AND RELATED RATIOS TEXAS MUNICIPAL RETIREMENT SYSTEM RETIREE HEALTHCARE Years Ended September 30,

	¹ 2025	2024	2023	2022
Total OPEB liability				
Service cost	\$ 85,109	\$ 64,777	\$ 64,776	\$ 70,983
Interest	56,023	47,528	45,048	24,649
Differences between expected and actual experience	-	205,448	-	65,563
Changes of assumptions	-	84,507	-	(229,525)
Benefit payments, including refunds of participant contributions	(39,110)	(39,110)	(76,562)	(76,562)
Net change in total OPEB liability	102,022	363,150	33,262	(144,892)
Total OPEB liability - beginning	\$ 1,314,317	\$ 951,167	\$ 917,905	\$ 1,062,797
Total OPEB liability - ending	² \$ 1,416,339	\$ 1,314,317	\$ 951,167	\$ 917,905
Covered-employee payroll	\$ 10,069,433	\$ 10,069,433	\$ 10,537,764	\$ 10,537,764
Fund's net position as a percentage of covered-employee payroll	14.07%	13.05%	9.03%	8.71%

Notes to schedule:

¹ This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

² No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay related benefits.

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
\$	70,983	\$ 57,160	\$ 57,162	\$ 54,440
	24,202	34,289	31,781	30,878
	-	56,912	-	-
	-	143,199	-	-
	<u>(74,199)</u>	<u>(74,277)</u>	<u>(37,217)</u>	<u>(37,219)</u>
	<u>20,986</u>	<u>217,283</u>	<u>51,726</u>	<u>48,099</u>
\$	<u>1,041,811</u>	<u>\$ 824,528</u>	<u>\$ 772,802</u>	<u>\$ 724,703</u>
\$	<u>1,062,797</u>	<u>\$ 1,041,811</u>	<u>\$ 824,528</u>	<u>\$ 772,802</u>
\$	7,044,703	\$ 8,337,600	\$ 8,282,780	\$ 7,280,738
	15.09%	12.50%	9.95%	10.61%

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OTHER SUPPLEMENTARY INFORMATION

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***COMBINING AND INDIVIDUAL FUND STATEMENTS
AND SCHEDULES***

City of Mount Pleasant, Texas

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

September 30, 2025

	Special Revenue Funds			
	Debt Service	Hotel/Motel Civic Center Occupancy	Cemetery	Police Seizure
Assets				
Cash and cash equivalents	\$ 421,051	\$ 10,062	\$ 41,547	\$ 7,061
Receivables, net	53,218	46,707	1,696	-
Restricted cash	-	-	-	141,294
Prepaid	-	6,883	-	-
Total Assets	\$ 474,269	\$ 63,652	\$ 43,243	\$ 148,355
Liabilities				
Accounts payable	\$ -	\$ 20,146	\$ 1,696	\$ 144,943
Due to other funds	50,000	153,081	-	-
Total Liabilities	50,000	173,227	1,696	144,943
Deferred Inflows of Resources				
Unavailable revenue - prop. taxes	53,218	-	-	-
Total Deferred Inflows of Resources	53,218	-	-	-
Fund Balances				
Nonspendable:				
Prepays	-	6,883	-	-
Notes Receivable	-	-	-	-
Restricted for:				
Community Improvements	-	-	-	-
Capital projects	-	-	-	-
Development	-	-	-	-
Cemetery	-	-	41,547	-
Debt Service	371,051	-	-	-
Public safety	-	-	-	3,412
Insurance	-	-	-	-
Assigned to:				
Public safety	-	-	-	-
Library	-	-	-	-
Unassigned	-	(116,458)	-	-
Total Fund Balances	371,051	(109,575)	41,547	3,412
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 474,269	\$ 63,652	\$ 43,243	\$ 148,355

Special Revenue Funds

<u>Rural Development</u>	<u>Police</u>	<u>Library</u>	<u>Fireman's Relief Fund</u>	<u>PEG Funds</u>	<u>Park Improvements</u>
\$ 114,501	\$ 317,657	\$ 43,205	\$ 33	\$ 456,479	\$ -
137,512	1,248	-	-	5,124	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 252,013</u>	<u>\$ 318,905</u>	<u>\$ 43,205</u>	<u>\$ 33</u>	<u>\$ 461,603</u>	<u>\$ -</u>
\$ -	\$ -	\$ 720	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	720	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
137,512	-	-	-	-	-
-	-	-	33	461,603	-
114,501	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	318,905	-	-	-	-
-	-	42,485	-	-	-
-	-	-	-	-	-
<u>252,013</u>	<u>318,905</u>	<u>42,485</u>	<u>33</u>	<u>461,603</u>	<u>-</u>
<u>\$ 252,013</u>	<u>\$ 318,905</u>	<u>\$ 43,205</u>	<u>\$ 33</u>	<u>\$ 461,603</u>	<u>\$ -</u>

City of Mount Pleasant, Texas

COMBINING BALANCE SHEET (Continued)

NONMAJOR GOVERNMENTAL FUNDS

September 30, 2025

	Capital Project Funds		Special Revenue Funds	
	Construction Bond	Capital Replacement	Booker T. Washington	Insurance Fund
Assets				
Cash and cash equivalents	\$ 7,568,279	\$ -	\$ 2,263	\$ 362,897
Receivables, net	394,826	4,503	-	1,460
Restricted cash	-	-	-	-
Prepaid	-	-	-	-
Total Assets	\$ 7,963,105	\$ 4,503	\$ 2,263	\$ 364,357
Liabilities				
Accounts payable	\$ 26,128	\$ -	\$ -	\$ -
Due to other funds	-	324,814	-	-
Total Liabilities	26,128	324,814	-	-
Deferred Inflows of Resources				
Unavailable revenue - prop. taxes	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances				
Nonspendable:				
Prepays	-	-	-	-
Notes Receivable	-	-	-	-
Restricted for:				
Community improvements	-	-	-	-
Capital projects	7,936,977	-	-	-
Development	-	-	-	-
Cemetery	-	-	-	-
Debt Service	-	-	-	-
Public safety	-	-	-	-
Insurance	-	-	-	364,357
Assigned to:				
Public safety	-	-	-	-
Library	-	-	2,263	-
Unassigned	-	(320,311)	-	-
Total Fund Balances	7,936,977	(320,311)	2,263	364,357
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 7,963,105	\$ 4,503	\$ 2,263	\$ 364,357

<u>Special Revenue</u>		
<u>Court Special Revenue</u>		<u>Total Nonmajor Governmental</u>
\$ 800		\$ 9,345,835
-		646,294
-		141,294
-		6,883
<u>\$ 800</u>		<u>\$ 10,140,306</u>
\$ -		\$ 193,633
-		527,895
<u>-</u>		<u>721,528</u>
-		53,218
<u>-</u>		<u>53,218</u>
-		6,883
-		137,512
-		461,636
-		7,936,977
-		114,501
-		41,547
-		371,051
800		4,212
-		364,357
-		318,905
-		44,748
-		(436,769)
<u>800</u>		<u>9,365,560</u>
<u>\$ 800</u>		<u>\$ 10,140,306</u>

City of Mount Pleasant, Texas
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2025

	Debt Service	Special Revenue Funds		
		Hotel/Motel Civic Center Occupancy	Cemetery	Police Seizure
Revenues				
Taxes:				
Property	\$ 1,294,414	\$ -	\$ 41,835	\$ -
Hotel	-	690,430	-	-
Utility franchise fees	-	-	-	-
Donations	-	-	-	-
Investment income	19,362	-	-	57
Intergovernmental revenue	-	-	-	-
Other revenue	-	99,668	-	-
Total Revenues	1,313,776	790,098	41,835	57
Expenditures				
General government	12,831	374,270	40,962	-
Public safety	-	-	-	16,972
Culture and recreation	-	501,685	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	759,000	-	-	-
Interest and fiscal charges	995,302	-	-	-
Total Expenditures	1,767,133	875,955	40,962	16,972
Revenues Over (Under) Expenditures	(453,357)	(85,857)	873	(16,915)
Other Financing Sources (Uses)				
Transfers in	-	17,704	-	-
Transfers (out)	(17,206)	-	-	-
Sale of capital assets	-	-	15,385	-
Lease related issuance	-	-	-	-
Total Other Financing Sources (Uses)	(17,206)	17,704	15,385	-
Net Change in Fund Balances	(470,563)	(68,153)	16,258	(16,915)
Beg. fund balances, as prev. stated	841,614	(41,422)	25,289	20,327
Change in financial reporting (nonmajor to major)	-	-	-	-
Beg. fund balances, as restated	841,614	(41,422)	25,289	20,327
Ending Fund Balances	\$ 371,051	\$ (109,575)	\$ 41,547	\$ 3,412

Special Revenue Funds

<u>Rural Development</u>	<u>Police</u>	<u>Library</u>	<u>Fireman's Relief Fund</u>	<u>PEG Funds</u>	<u>Park Improvements</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	19,929	-
-	16,142	38,700	-	-	-
10,340	948	-	-	12,337	-
-	17,438	-	-	-	-
-	23,649	-	-	-	-
<u>10,340</u>	<u>58,177</u>	<u>38,700</u>	<u>-</u>	<u>32,266</u>	<u>-</u>
-	-	-	-	-	-
-	29,356	-	500	-	-
-	-	12,924	-	-	-
-	-	6,688	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>29,356</u>	<u>19,612</u>	<u>500</u>	<u>-</u>	<u>-</u>
10,340	28,821	19,088	(500)	32,266	-
-	-	-	500	-	-
-	-	(72)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>(72)</u>	<u>500</u>	<u>-</u>	<u>-</u>
10,340	28,821	19,016	-	32,266	-
241,673	290,084	23,469	33	429,337	(16,976)
-	-	-	-	-	16,976
<u>241,673</u>	<u>290,084</u>	<u>23,469</u>	<u>33</u>	<u>429,337</u>	<u>-</u>
<u>\$ 252,013</u>	<u>\$ 318,905</u>	<u>\$ 42,485</u>	<u>\$ 33</u>	<u>\$ 461,603</u>	<u>\$ -</u>

City of Mount Pleasant, Texas
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (Continued)
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2025

	<u>Capital Project Funds</u>		<u>Special Revenue Funds</u>	
	<u>Construction Bond</u>	<u>Capital Replacement</u>	<u>Booker T. Washington</u>	<u>Insurance Fund</u>
Revenues				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Hotel	-	-	-	-
Utility franchise fees	-	-	-	-
Donations	-	-	-	-
Investment income	374,674	-	-	-
Intergovernmental revenue	1,402,172	-	-	5,196
Other revenue	-	-	-	-
Total Revenues	<u>1,776,846</u>	<u>-</u>	<u>-</u>	<u>5,196</u>
Expenditures				
General government	-	181,589	-	233,865
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	689,189	72,281	-	-
Debt service:				
Principal	-	494,040	-	-
Interest and fiscal charges	-	53,087	-	-
Total Expenditures	<u>689,189</u>	<u>800,997</u>	<u>-</u>	<u>233,865</u>
Revenues Over (Under) Expenditures	<u>1,087,657</u>	<u>(800,997)</u>	<u>-</u>	<u>(228,669)</u>
Other Financing Sources (Uses)				
Transfers in	-	500,386	-	271,801
Transfers (out)	(1,529,641)	-	-	-
Sale of capital assets	-	24,052	-	-
Lease related issuance	-	72,281	-	-
Total Other Financing Sources (Uses)	<u>(1,529,641)</u>	<u>596,719</u>	<u>-</u>	<u>271,801</u>
Net Change in Fund Balances	<u>(441,984)</u>	<u>(204,278)</u>	<u>-</u>	<u>43,132</u>
Beg. fund balances, as prev. stated	8,378,961	(116,033)	2,263	321,225
Change in financial reporting (nonmajor to major)	-	-	-	-
Beg. fund balances, as restated	8,378,961	(116,033)	2,263	321,225
Ending Fund Balances	<u>\$ 7,936,977</u>	<u>\$ (320,311)</u>	<u>\$ 2,263</u>	<u>\$ 364,357</u>

<u>Special Revenue</u>		
<u>Court Special Revenue</u>		<u>Total Nonmajor Governmental</u>
\$ -	\$	1,336,249
-		690,430
-		19,929
-		54,842
-		417,718
-		1,424,806
800		124,117
<u>800</u>		<u>4,068,091</u>
-		843,517
-		46,828
-		514,609
-		768,158
-		1,253,040
-		1,048,389
-		<u>4,474,541</u>
800		<u>(406,450)</u>
-		790,391
-		(1,546,919)
-		39,437
-		72,281
-		<u>(644,810)</u>
800		<u>(1,051,260)</u>
-		10,399,844
-		16,976
-		10,416,820
<u>\$ 800</u>	<u>\$</u>	<u>9,365,560</u>

City of Mount Pleasant, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
STREET FUND

For the Year Ended September 30, 2025

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Franchise tax	\$ 1,310,000	\$ 1,391,002	\$ 81,002
Investment income	32,000	31,172	(828)
Other revenues	-	133,287	133,287
Total Revenues	1,342,000	1,555,461	213,461
<u>Expenditures</u>			
Current:			
Public works	1,452,526	1,201,064	251,462
Capital outlay	85,000	82,120	2,880
Total Expenditures	1,537,526	1,283,184	254,342
Revenues Over (Under) Expenditures	(195,526)	272,277	467,803
<u>Other Financing Sources (Uses)</u>			
Transfers in	400,000	400,002	2
Total Other Financing Sources (Uses)	400,000	400,002	2
Net Change in Fund Balance	\$ 204,474	672,279	\$ 467,805
Beginning fund balance		(3,513)	
Ending Fund Balance		\$ 668,766	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of Mount Pleasant, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CONSTRUCTION BOND FUND
For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Revenue	\$ -	\$ 85,916	-	\$ (85,916)
Investment income	360,000	360,000	374,674	14,674
Other revenue	-	1,632,401	1,402,172	(230,229)
Total Revenues	360,000	2,078,317	1,776,846	(301,471)
<u>Expenditures</u>				
Current:				
Capital outlay	7,062,541	8,780,857	689,189	8,091,668
Total Expenditures	7,062,541	8,780,857	689,189	8,091,668
Revenues Over (Under) Expenditures	(6,702,541)	(6,702,540)	1,087,657	7,790,197
<u>Other Financing Sources (Uses)</u>				
Transfers (out)	-	-	(1,529,641)	(1,529,641)
Bond proceeds	8,500,000	8,500,000	-	(8,500,000)
Total Other Financing Sources (Uses)	8,500,000	8,500,000	(1,529,641)	(10,029,641)
Net Change in Fund Balance	1,797,459	\$ 1,797,460	(441,984)	\$ (2,239,444)
Beginning fund balance			8,378,961	
Ending Fund Balance			\$ 7,936,977	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of Mount Pleasant, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
For the Year Ended September 30, 2025

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Taxes:			
Property	\$ 1,264,600	\$ 1,294,414	\$ 29,814
Investment income	20,000	19,362	(638)
Total Revenues	1,284,600	1,313,776	29,176
<u>Expenditures</u>			
Current:			
General government	5,000	12,831	(7,831)
Debt service:			
Principal	759,000	759,000	-
Interest and fiscal charges	1,012,509	995,302	17,207
Total Expenditures	1,776,509	1,767,133	9,376 *
Revenues Over (Under) Expenditures	(491,909)	(453,357)	38,552
<u>Other Financing Sources (Uses)</u>			
Transfers (out)	-	(17,206)	(17,206) *
Total Other Financing Sources (Uses)	-	(17,206)	(17,206)
Net Change in Fund Balance	\$ (491,909)	(470,563)	\$ 21,346
Beginning fund balance		841,614	
Ending Fund Balance		\$ 371,051	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
2. * Expenditures exceeded appropriations at the legal level of control.

City of Mount Pleasant, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
HOTEL/MOTEL/CIVIC CENTER FUND
For the Year Ended September 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>				
Taxes:				
Hotel	\$ 855,000	\$ 855,000	\$ 690,430	\$ (164,570)
Other revenues	115,000	115,000	99,668	(15,332)
Total Revenues	<u>970,000</u>	<u>970,000</u>	<u>790,098</u>	<u>(179,902)</u>
<u>Expenditures</u>				
Current:				
General government	429,027	454,027	374,270	79,757
Culture and recreation	496,865	496,865	501,685	(4,820)
Total Expenditures	<u>925,892</u>	<u>950,892</u>	<u>875,955</u>	<u>74,937</u>
Revenues Over (Under) Expenditures	<u>44,108</u>	<u>19,108</u>	<u>(85,857)</u>	<u>(104,965)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	17,704	17,704	-
Transfers (out)	(7,296)	-	-	-
Total Other Financing Sources (Uses)	<u>(7,296)</u>	<u>17,704</u>	<u>17,704</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 36,812</u>	<u>\$ 36,812</u>	<u>(68,153)</u>	<u>\$ (104,965)</u>
Beginning fund balance			(41,422)	
Ending Fund Balance			<u>\$ (109,575)</u>	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of Mount Pleasant, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CEMETERY
For the Year Ended September 30, 2025

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Taxes:			
Property	\$ 36,025	\$ 41,835	\$ 5,810
Total Revenues	36,025	41,835	5,810
<u>Expenditures</u>			
Current:			
General government	59,025	40,962	18,063
Total Expenditures	59,025	40,962	18,063
Revenues Over (Under) Expenditures	(23,000)	873	23,873
<u>Other Financing Sources (Uses)</u>			
Proceeds from sale of assets	25,000	15,385	(9,615)
Total Other Financing Sources (Uses)	25,000	15,385	(9,615)
Net Change in Fund Balance	\$ 2,000	16,258	\$ 14,258
Beginning fund balance		25,289	
Ending Fund Balance		\$ 41,547	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of Mount Pleasant, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
LIBRARY FUND
For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Donations	\$ 5,000	\$ 40,845	\$ 38,700	\$ (2,145)
Other revenues	20,521	20,521	-	(20,521)
Total Revenues	25,521	61,366	38,700	(22,666)
<u>Expenditures</u>				
Current:				
Culture and recreation	-	35,845	12,924	22,921
Capital outlay	25,000	25,000	6,688	18,312
Total Expenditures	25,000	60,845	19,612	41,233
	521	521	19,088	18,567
<u>Other Financing Sources (Uses)</u>				
Transfers (out)	-	-	(72)	(72)
Net Change in Fund Balance	\$ 521	\$ 521	19,016	\$ 18,495
Beginning fund balance			23,469	
Ending Fund Balance			\$ 42,485	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of Mount Pleasant, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
PEG FUND
For the Year Ended September 30, 2025

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Franchise fees	\$ 23,050	\$ 19,929	\$ (3,121)
Investment income	14,400	12,337	(2,063)
Total Revenues	<u>37,450</u>	<u>32,266</u>	<u>(5,184)</u>
Net Change in Fund Balance	<u>\$ 37,450</u>	32,266	<u>\$ (5,184)</u>
Beginning fund balance		<u>429,337</u>	
Ending Fund Balance		<u>\$ 461,603</u>	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of Mount Pleasant, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL REPLACEMENT FUND
For the Year Ended September 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>				
Other revenues	\$ 30,000	\$ 30,000	\$ -	\$ (30,000)
Total Revenues	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>(30,000)</u>
<u>Expenditures</u>				
Current:				
General government	-	-	181,589	(181,589)
Debt service:				
Principal	679,450	679,450	494,040	185,410
Interest and fiscal charges	-	-	53,087	(53,087)
Capital outlay	-	-	72,281	(72,281)
Total Expenditures	<u>679,450</u>	<u>679,450</u>	<u>800,997</u>	<u>(121,547) *</u>
Revenues Over (Under) Expenditures	<u>(649,450)</u>	<u>(649,450)</u>	<u>(800,997)</u>	<u>(151,547)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	599,600	599,600	500,386	(99,214)
Sale of capital assets	50,000	50,000	24,052	(25,948)
Lease related issuance	-	-	72,281	72,281
Total Other Financing Sources (Uses)	<u>649,600</u>	<u>649,600</u>	<u>596,719</u>	<u>(52,881)</u>
Net Change in Fund Balance	<u>\$ 150</u>	<u>\$ 150</u>	<u>(204,278)</u>	<u>\$ (204,428)</u>
Beginning fund balance			(116,033)	
Ending Fund Balance			<u>\$ (320,311)</u>	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
2. * Expenditures exceeded appropriations at the legal level of control.

City of Mount Pleasant, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
PARK IMPROVEMENTS
For the Year Ended September 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>				
Investment income	\$ 15,000	\$ 15,000	\$ 3,188	\$ (11,812)
Total Revenues	<u>15,000</u>	<u>15,000</u>	<u>3,188</u>	<u>(11,812)</u>
<u>Expenditures</u>				
Capital outlay	34,242	34,242	-	34,242
Total Expenditures	<u>34,242</u>	<u>34,242</u>	<u>-</u>	<u>34,242</u>
Net Change in Fund Balance	<u>\$ (19,242)</u>	<u>\$ (19,242)</u>	3,188	<u>\$ 22,430</u>
Beginning fund balance			(16,976)	
Ending Fund Balance			<u>\$ (13,788)</u>	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of Mount Pleasant, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
INSURANCE FUND
For the Year Ended September 30, 2025

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Intergovernmental	\$ -	\$ 5,196	\$ 5,196
Total Revenues	<u>-</u>	<u>5,196</u>	<u>5,196</u>
<u>Expenditures</u>			
Current:			
General government	277,000	233,865	43,135
Total Expenditures	<u>277,000</u>	<u>233,865</u>	<u>43,135</u>
Revenues Over (Under) Expenditures	<u>(277,000)</u>	<u>(228,669)</u>	<u>48,331</u>
<u>Other Financing Sources (Uses)</u>			
Transfers in	277,000	271,801	(5,199)
Total Other Financing Sources (Uses)	<u>277,000</u>	<u>271,801</u>	<u>(5,199)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>43,132</u>	<u>\$ 43,132</u>
Beginning fund balance		<u>321,225</u>	
Ending Fund Balance		<u>\$ 364,357</u>	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of Mount Pleasant, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
POLICE SEIZURES FUND
For the Year Ended September 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>				
Investment income	\$ -	\$ -	\$ 57	\$ 57
Other revenues	-	119,900	-	(119,900)
Total Revenues	<u>-</u>	<u>119,900</u>	<u>57</u>	<u>(119,843)</u>
<u>Expenditures</u>				
Current:				
Public safety	39,000	158,900	16,972	141,928
Total Expenditures	<u>39,000</u>	<u>158,900</u>	<u>16,972</u>	<u>141,928</u>
Revenues Over (Under) Expenditures	<u>(39,000)</u>	<u>(39,000)</u>	<u>(16,915)</u>	<u>22,085</u>
Net Change in Fund Balance	<u>\$ (39,000)</u>	<u>\$ (39,000)</u>	<u>(16,915)</u>	<u>\$ 22,085</u>
Beginning fund balance			20,327	
Ending Fund Balance			<u>\$ 3,412</u>	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of Mount Pleasant, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
POLICE FUND
For the Year Ended September 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>				
Donations	\$ -	\$ 16,140	\$ 16,142	\$ 2
Investment income	-	-	948	948
Intergovernmental revenue	2,400	8,266	17,438	9,172
Other revenue	-	25,915	23,649	(2,266)
Total Revenues	<u>2,400</u>	<u>50,321</u>	<u>58,177</u>	<u>7,856</u>
<u>Expenditures</u>				
Current:				
Public safety	12,000	195,258	29,356	165,902
Total Expenditures	<u>12,000</u>	<u>195,258</u>	<u>29,356</u>	<u>165,902</u>
Revenues Over (Under) Expenditures	<u>(9,600)</u>	<u>(144,937)</u>	<u>28,821</u>	<u>173,758</u>
Net Change in Fund Balance	<u>\$ (9,600)</u>	<u>\$ (144,937)</u>	<u>28,821</u>	<u>\$ 173,758</u>
Beginning fund balance			<u>290,084</u>	
Ending Fund Balance			<u>\$ 318,905</u>	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of Mount Pleasant, Texas
BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNIT
 September 30, 2025

		<u>Economic Development District</u>
<u>Assets</u>		
Cash and cash equivalents	\$	7,534,436
Receivables, net		604,388
Prepaid		1,229
Total Assets	\$	<u>8,140,053</u>
 <u>Liabilities</u>		
Accounts payable	\$	107,097
Accrued liabilities		14,343
Total Liabilities		<u>121,440</u>
 <u>Fund Balances</u>		
Restricted for:		
Economic development		8,018,613
Total Fund Balance		<u>8,018,613</u>
Total Liabilities and Fund Balance	\$	<u>8,140,053</u>

City of Mount Pleasant, Texas

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION DISCRETELY PRESENTED COMPONENT UNIT

September 30, 2025

Fund Balance	\$ 8,018,613
 Adjustments for the Statement of Net Position:	
Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.	
Capital assets - non-depreciable	2,318,133
Capital assets - net depreciable	2,071,607
 Deferred outflows of resources, represent a consumption of net assets that applies to a future period(s) and is not recognized as an outflow of resources (expenditure) until then.	
Pension deferred outflows	34,925
OPEB deferred outflows - TMRS	114
OPEB deferred outflows - Healthcare	2,250
 Deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.	
OPEB deferred inflows - TMRS	(1,607)
OPEB deferred inflows - Healthcare	(45)
Pension deferred inflows	(11,747)
 Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.	
Net pension liability	(96,792)
OPEB liability - TMRS	(6,075)
OPEB liability - Healthcare	(14,044)
Compensated absences	(43,088)
Net Position of the Discretely Presented Component Unit	\$ 12,272,244

City of Mount Pleasant, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE DISCRETELY PRESENTED COMPONENT UNIT

For the Year Ended September 30, 2025

	Economic Development District
<u>Revenues</u>	
Sales tax	\$ 2,142,726
Investment income	210,583
Other revenues	1,491,663
Total Revenues	3,844,972
 <u>Expenditures</u>	
Current:	
Economic Development	5,117,505
Total Expenditures	5,117,505
Total Revenues	
Over (Under) Expenditures	(1,272,533)
Net Change in Fund Balance	(1,272,533)
Beginning fund balance	9,291,146
Ending Fund Balance	\$ 8,018,613

City of Mount Pleasant, Texas
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF THE DISCRETELY PRESENTED
COMPONENT UNIT TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2025

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balance	\$ (1,272,533)
-----------------------------	----------------

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	1,263,995
Depreciation expense	(147,116)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Pension expense	(8,165)
OPEB expense	718
Compensated absences	8,336
Change in Net Position of the Discretely Presented Component Unit	\$ (154,765)

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STATISTICAL SECTION

The Statistical Section presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City of Mount Pleasant's overall financial health.

FINANCIAL TRENDS INFORMATION

These schedule contain trend information to help the reader understand how the City's Financial performance and well-being have changed over time

- 1 Net Assets by component
- 2 Changes in net assets
- 3 Fund balances, governmental funds
- 4 Changes in fund balance, governmental funds

REVENUE CAPACITY INFORMATION

These schedules contain information to help the reader assess the City's most significant revenue source, the property tax.

- 5 Assessed value and actual value of taxable property
- 6 Direct and overlapping property tax rates
- 7 Principal property tax payers
- 8 Property tax levies and collections

DEBT CAPACITY INFORMATION

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

- 9 Ratios of outstanding debt
- 10 Ratios of general bonded debt outstanding
- 11 Direct and overlapping governmental activities debt
- 12 Legal debt margin information
- 13 Pledged-revenue coverage

DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules offer demographic and economic indicators to help the reader understand how the environment within which the City's financial activities take place.

- 14 Demographic and economic statistics
- 15 Principal employers

OPERATING INFORMATION

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the service the government provides and the activities it performs.

- 16 Full-time equivalent city government employees by function/program
- 17 Operating indicators by function/program
- 18 Capital asset statistics by function/program

City of Mount Pleasant, Texas

NET POSITION BY COMPONENT

Last Ten Fiscal Years

(accrual basis of accounting)

Table 1

	2016	2017	2018	2019
Governmental Activities				
Net investment in				
capital assets	\$ 19,049,789	\$ 19,752,903	\$ 14,140,261	\$ 22,431,539
Restricted	1,501,525	2,770,138	7,765,128	1,163,916
Unrestricted	1,664,655	(2,138,823)	(559,188)	(1,227,968)
Total Governmental				
Net Position	\$ 22,215,969	\$ 20,384,218	\$ 21,346,201	\$ 22,367,487
Business-type Activities				
Net investment in				
capital assets	\$ 42,429,776	\$ 40,163,100	\$ 40,598,234	\$ 40,351,700
Restricted	1,655,002	1,839,739	170,596	-
Unrestricted	481,429	1,476,233	3,245,106	4,343,063
Total Business-type Activities Net	\$ 44,566,207	\$ 43,479,072	\$ 44,013,936	\$ 44,694,763
Primary Government				
Net investment in				
capital assets	\$ 61,479,565	\$ 59,916,003	\$ 54,738,495	\$ 62,783,239
Restricted	3,156,527	4,609,877	7,935,724	1,163,916
Unrestricted	2,146,084	(662,590)	2,685,918	3,115,095
Total Primary Government	\$ 66,782,176	\$ 63,863,290	\$ 65,360,137	\$ 67,062,250

2020	2021	2022	2023	2024	2025
\$ 24,401,450	\$ 23,697,005	\$ 21,845,202	\$ 23,739,518	\$ 23,176,536	\$ 21,980,754
879,970	4,737,541	7,605,345	4,921,274	1,742,576	1,779,219
(1,458,742)	(1,644,713)	(2,493,374)	(4,317,440)	(2,662,267)	(3,171,741)
<u>\$ 23,822,678</u>	<u>\$ 26,789,833</u>	<u>\$ 26,957,173</u>	<u>\$ 24,343,352</u>	<u>\$ 22,256,845</u>	<u>\$ 20,588,232</u>
\$ 38,739,851	\$ 39,037,742	\$ 34,996,612	\$ 35,875,749	\$ 38,415,719	\$ 42,297,140
-	2,839,100	2,826,592	3,168,941	1,776,799	2,292,154
3,975,540	(1,185,646)	2,727,823	2,408,532	1,924,446	2,866,690
<u>\$ 42,715,391</u>	<u>\$ 40,691,196</u>	<u>\$ 40,551,027</u>	<u>\$ 41,453,222</u>	<u>\$ 42,116,964</u>	<u>\$ 47,455,984</u>
\$ 63,141,301	\$ 62,734,747	\$ 56,841,814	\$ 59,615,267	\$ 61,592,255	\$ 64,277,894
879,970	7,576,641	10,431,937	8,090,215	3,519,375	4,071,373
2,516,798	(2,830,359)	234,449	(1,912,156)	(737,821)	(305,051)
<u>\$ 66,538,069</u>	<u>\$ 67,481,029</u>	<u>\$ 67,508,200</u>	<u>\$ 65,793,326</u>	<u>\$ 64,373,809</u>	<u>\$ 68,044,216</u>

City of Mount Pleasant, Texas

CHANGES IN NET POSITION

Last Ten Fiscal Years

(accrual basis of accounting)

Table 2

	2016	2017	2018	2019
Expenses				
Governmental activities:				
General government	\$ 2,008,181	\$ 2,327,564	\$ 3,013,630	\$ 1,653,454
Public safety	6,540,258	7,159,767	8,408,833	9,598,062
Public Services	621,795	704,173	804,786	344,203
Parks and Recreation	690,461	701,994	847,436	1,505,577
Public works	1,826,322	1,762,260	1,960,212	1,724,711
Library	611,154	668,071	-	-
Interest and fiscal charges	259,199	278,863	573,410	490,322
Total governmental activities	<u>12,557,370</u>	<u>13,602,692</u>	<u>15,608,307</u>	<u>15,316,329</u>
Business-type activities:				
Water and Sewer	9,057,408	9,534,141	9,544,722	9,580,684
Airport Fund	1,275,439	1,284,235	1,410,670	1,416,507
Civic Center	524,076	507,477	470,543	453,072
Total business-type activities	<u>10,856,923</u>	<u>11,325,853</u>	<u>11,425,935</u>	<u>11,450,263</u>
Total primary government	<u>\$ 23,414,293</u>	<u>\$ 24,928,545</u>	<u>\$ 27,034,242</u>	<u>\$ 26,766,592</u>
Governmental activities:				
Charges for services				
General government	25,078	26,992	-	1,226,820
Public safety	977,419	1,369,290	1,455,719	902,940
Public services	36,498	42,754	63,644	-
Public works	143,165	177,241	-	-
Parks and Recreation	57,559	47,675	162,361	-
Library	4,286	4,620	-	-
Operating grants/contrib.	-	-	1,142,032	157,192
Capital grants/contributions	691,059	757,224	-	432,210
Total governmental activities	<u>1,935,064</u>	<u>2,425,796</u>	<u>2,823,756</u>	<u>2,719,162</u>
Business-type activities:				
Charges for services:				
Water and sewer	9,776,518	10,353,769	11,345,594	11,707,347
Airport	897,508	840,575	805,365	839,524
Civic center	88,981	89,430	123,628	73,759
Operating grants and contrib.	27,612	7,506	26,972	-
Capital grants and contrib.	-	-	-	-
Total business-type activities	<u>10,790,619</u>	<u>11,291,280</u>	<u>12,301,559</u>	<u>12,620,630</u>
Total primary government	<u>\$ 12,725,683</u>	<u>\$ 13,717,076</u>	<u>\$ 15,125,315</u>	<u>\$ 15,339,792</u>
Net (Expense)/Revenue				
Governmental activities	\$ (10,622,306)	\$ (11,176,896)	\$ (12,784,551)	\$ (12,597,167)
Business-type activities	(66,304)	(34,573)	875,624	1,170,367
Total primary government	<u>\$ (10,688,610)</u>	<u>\$ (11,211,469)</u>	<u>\$ (11,908,927)</u>	<u>\$ (11,426,800)</u>

	2020	2021	2022	2023	2024	2025
\$	2,447,119	\$ 3,401,920	\$ 3,573,865	\$ 4,010,412	\$ 3,825,702	\$ 3,249,313
	9,349,911	9,156,779	9,406,770	11,307,258	11,034,011	11,244,441
	160,859	-	-	-	-	-
	1,610,785	1,916,968	2,910,578	3,818,884	3,441,835	2,846,688
	2,429,084	2,844,387	3,859,438	3,555,309	3,431,049	3,341,330
	-	-	-	-	-	-
	567,594	431,244	523,361	441,260	828,249	847,524
	<u>16,565,352</u>	<u>17,751,298</u>	<u>20,274,012</u>	<u>23,133,123</u>	<u>22,560,846</u>	<u>21,529,296</u>
	10,769,947	13,299,833	13,335,278	15,718,068	16,871,038	16,857,422
	1,294,688	1,355,083	1,624,193	1,783,093	1,759,274	1,748,855
	-	-	-	-	-	-
	<u>12,064,635</u>	<u>14,654,916</u>	<u>14,959,471</u>	<u>17,501,161</u>	<u>18,630,312</u>	<u>18,606,277</u>
\$	<u>28,629,987</u>	<u>\$ 32,406,214</u>	<u>\$ 35,233,483</u>	<u>\$ 40,634,284</u>	<u>\$ 41,191,158</u>	<u>\$ 40,135,573</u>
	1,287,558	1,366,827	1,439,582	1,994,377	1,864,165	1,344,333
	635,225	678,302	747,849	779,991	622,833	548,759
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	265,806	2,785,189	7,313	12,295	22,846	1,419,610
	761,462	1,400,000	2,067,701	290,635	543,082	75,168
	<u>2,950,051</u>	<u>6,230,318</u>	<u>4,262,445</u>	<u>3,077,298</u>	<u>3,052,926</u>	<u>3,387,870</u>
	11,409,873	12,240,416	14,565,579	15,373,940	16,627,416	20,008,352
	755,627	797,561	1,107,204	1,241,845	1,227,285	1,124,461
	-	-	-	-	-	-
	-	259,500	129,182	61,385	89,150	1,061,604
	-	-	-	200,000	-	-
	<u>12,165,500</u>	<u>13,297,477</u>	<u>15,801,965</u>	<u>16,877,170</u>	<u>17,943,851</u>	<u>22,194,417</u>
\$	<u>15,115,551</u>	<u>\$ 19,527,795</u>	<u>\$ 20,064,410</u>	<u>\$ 19,954,468</u>	<u>\$ 20,996,777</u>	<u>\$ 25,582,287</u>
\$	(13,615,301)	\$ (11,520,980)	\$ (16,011,567)	\$ (20,055,825)	\$ (19,507,920)	\$ (18,141,426)
	100,865	(1,357,439)	842,494	(623,991)	(686,461)	3,588,140
\$	<u>(13,514,436)</u>	<u>\$ (12,878,419)</u>	<u>\$ (15,169,073)</u>	<u>\$ (20,679,816)</u>	<u>\$ (20,194,381)</u>	<u>\$ (14,553,286)</u>

City of Mount Pleasant, Texas

CHANGES IN NET POSITION (Continued)

Last Ten Fiscal Years

(accrual basis of accounting)

Table 2

	2016	2017	2018	2019
General Revenues				
Governmental activities:				
Taxes:				
Property taxes	\$ 3,074,506	\$ 3,058,493	\$ 3,258,505	\$ 3,803,341
Sales tax	4,302,977	4,386,891	4,564,492	4,764,917
Non-Property taxes	583,520	564,708	556,741	559,262
Franchise and other taxes	1,179,533	1,164,889	1,226,097	1,183,180
Investment Income	34,226	80,535	262,404	298,847
Royalties	572,289	114,768	545,064	982,394
Other income	-	-	-	-
Gain on sale of assets	376,883	536,862	547,225	395,626
Special items	-	-	21,575	-
Transfers, net	756,116	848,173	969,895	1,259,691
Total governmental activities	<u>10,880,050</u>	<u>10,755,319</u>	<u>11,951,998</u>	<u>13,247,258</u>
Business-type activities:				
Investment Income	22,617	41,094	64,522	103,711
Miscellaneous	56,380	291,889	164,635	124,529
Intergovernmental Revenue	-	-	14,925	-
Transfers, net	(756,116)	(848,173)	(969,895)	(1,258,766)
Total business-type activities	<u>(677,119)</u>	<u>(515,190)</u>	<u>(725,813)</u>	<u>(1,030,526)</u>
Total primary government	<u>\$ 10,202,931</u>	<u>\$ 10,240,129</u>	<u>\$ 11,226,185</u>	<u>\$ 12,216,732</u>
Change in Net Position				
Governmental activities	\$ (296,846)	\$ (2,029,232)	\$ (645,169)	\$ (368,043)
Business-type activities	(711,692)	360,434	444,554	(929,661)
Total primary government	<u>\$ (1,008,538)</u>	<u>\$ (1,668,798)</u>	<u>\$ (200,615)</u>	<u>\$ (1,297,704)</u>

Source: Annual Financial Report

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$	4,108,990	\$ 4,206,268	\$ 4,336,425	\$ 5,021,107	\$ 5,647,591	\$ 5,865,629
	5,654,458	5,834,265	6,435,353	6,753,299	6,392,527	6,451,200
	-	-	723,194	821,173	795,737	690,430
	1,776,649	2,119,057	1,342,851	1,596,252	1,430,097	1,541,694
	119,081	24,211	81,218	298,843	355,402	557,754
	701,295	758,028	1,000,794	1,171,585	1,154,586	1,070,137
	485,690	410,709	606,340	391,351	442,707	985,030
	-	-	-	359,044	-	-
	-	-	-	-	-	-
	2,224,329	1,079,973	1,706,162	1,029,350	1,202,766	(89,139)
	<u>15,070,492</u>	<u>14,432,511</u>	<u>16,232,337</u>	<u>17,442,004</u>	<u>17,421,413</u>	<u>17,072,735</u>
	46,255	28,894	427,420	2,396,716	2,556,217	1,813,665
	97,837	384,323	296,079	101,357	-	-
	-	-	-	-	-	-
	(2,224,329)	(1,079,973)	(1,706,162)	(1,029,350)	(1,202,766)	89,139
	<u>(2,080,237)</u>	<u>(666,756)</u>	<u>(982,663)</u>	<u>1,468,723</u>	<u>1,353,451</u>	<u>1,902,804</u>
\$	<u>12,990,255</u>	<u>\$ 13,765,755</u>	<u>\$ 15,249,674</u>	<u>\$ 18,910,727</u>	<u>\$ 18,774,864</u>	<u>\$ 18,975,539</u>
\$	3,549,512	\$ (1,579,056)	\$ (3,823,488)	\$ (2,613,821)	\$ (2,086,507)	\$ (1,068,691)
	(3,437,676)	175,738	(1,606,654)	844,732	666,990	5,490,944
\$	<u>111,836</u>	<u>\$ (1,403,318)</u>	<u>\$ (5,430,142)</u>	<u>\$ (1,769,089)</u>	<u>\$ (1,419,517)</u>	<u>\$ 4,422,253</u>

City of Mount Pleasant, Texas
FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Years
(modified accrual basis of accounting)

Table 3

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General fund:				
Nonspendable	\$ 6,161	\$ 9,117	\$ 15,215	\$ 17,653
Committed	19,252	23,816	23,231	-
Restricted	935,860	989,632	185,934	471,762
Assigned	-	-	-	16,742
Unassigned	2,048,570	1,763,186	2,399,531	-
Total general fund	<u>\$ 3,009,843</u>	<u>\$ 2,785,751</u>	<u>\$ 2,623,911</u>	<u>\$ 506,157</u>
All other governmental funds:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	474,621	503,175	7,579,194	597,807
Assigned	5,120,689	3,458,766	3,079,878	390,896
Unassigned	(118,641)	(131,511)	30,244	-
Total all other governmental funds	<u>\$ 5,476,669</u>	<u>\$ 3,830,430</u>	<u>\$ 10,689,316</u>	<u>\$ 988,703</u>

Source: Annual Financial Report

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 2,900	\$ -	\$ -	\$ 136,139	\$ 293,551	\$ 115,957
-	-	-	-	-	-
216,229	2,194,763	3,771,817	-	-	-
16,742	25,916	16,710	16,710	16,710	18,551
2,700,578	1,901,191	1,334,139	1,073,122	3,145,700	3,273,127
<u>\$ 2,936,449</u>	<u>\$ 4,121,870</u>	<u>\$ 5,122,666</u>	<u>\$ 1,225,971</u>	<u>\$ 3,455,961</u>	<u>\$ 3,407,635</u>
\$ -	\$ -	\$ -	\$ 22,055	\$ 198,566	\$ 151,558
599,477	2,701,250	4,149,773	5,074,199	10,075,963	9,294,281
355,125	2,098,251	1,033,922	402,256	315,816	363,653
(272,752)	-	(5,959)	(537,009)	(194,014)	211,046
<u>\$ 681,850</u>	<u>\$ 4,799,501</u>	<u>\$ 5,177,736</u>	<u>\$ 4,961,501</u>	<u>\$ 10,396,331</u>	<u>\$ 10,020,538</u>

City of Mount Pleasant, Texas
CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS
Last Ten Years
(modified accrual basis of accounting)

Table 4

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues				
Property taxes	\$ 3,098,745	\$ 3,092,727	\$ 3,258,505	\$ 3,791,902
Non-Property taxes	583,520	564,708	556,741	-
Sales tax	4,302,977	4,386,891	4,564,492	4,764,917
Franchise and local taxes	1,204,611	1,191,881	1,226,097	1,183,180
Fines and Forfeitures	959,116	1,332,587	1,455,719	902,940
Licenses and Permits	68,674	102,397	63,644	76,210
Charge for Services	168,547	165,273	162,361	1,150,610
Intergovt. Revenues - local & state	610,427	693,436	1,067,447	157,192
Grants	41,381	46,289	-	-
Donations	39,250	17,499	74,585	-
Royalties	376,883	536,862	547,225	982,394
Investment Income	34,227	80,535	262,404	298,847
Miscellaneous	618,555	123,081	545,066	383,626
Total Revenues	<u>12,106,913</u>	<u>12,334,166</u>	<u>13,784,286</u>	<u>13,691,818</u>
Expenditures				
General government	1,125,153	1,011,680	1,112,784	1,527,460
Public safety	6,621,607	7,365,738	7,947,088	8,978,987
Public Works	1,306,901	1,229,536	1,285,060	1,203,105
Building maintenance	684,779	740,021	785,824	299,245
Parks and Recreation	693,048	685,938	778,350	872,699
Library	320,013	389,364	412,658	393,873
Capital Outlay	1,938,566	2,961,404	4,165,361	4,895,511
Debt service				
Principal	467,363	481,739	501,739	552,178
Interest	259,200	279,487	440,439	689,144
Bond issuance costs	-	-	764,930	-
Total Expenditures	<u>13,416,630</u>	<u>15,144,907</u>	<u>18,194,233</u>	<u>19,412,202</u>
Revenues over (under) expenditures	(1,309,717)	(2,810,741)	(4,409,947)	(5,720,384)
Other Financing Sources (Uses)				
Transfers, net	827,313	912,923	969,895	1,259,691
Debt/Lease Proceeds	-	-	8,440,000	-
Payment to escrow agent	-	-	-	-
Debt Issuance Costs	-	-	-	-
Proceeds from sale of Assets	9,049	27,487	21,575	12,000
Total other financing sources	<u>836,362</u>	<u>940,410</u>	<u>9,431,470</u>	<u>1,271,691</u>
Net Change in Fund Balances	<u>\$ (473,355)</u>	<u>\$ (1,870,331)</u>	<u>\$ 5,021,523</u>	<u>\$ (4,448,693)</u>
Ratio of total debt service expenditures to noncapital expenditures	6.33%	6.25%	12.17%	8.55%

Source: Annual Financial Report

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$	4,108,990	\$ 4,206,268	\$ 4,323,191	\$ 4,994,154	\$ 5,574,866	\$ 5,843,358
	-	-	723,194	821,173	795,737	690,430
	5,152,451	5,834,265	6,435,353	6,753,299	6,392,527	6,451,200
	2,278,656	2,119,057	1,342,851	1,596,252	1,430,097	1,541,694
	635,225	678,302	747,849	779,991	622,833	548,759
	206,254	235,768	287,177	517,789	392,932	459,774
	1,081,304	1,131,059	1,152,405	1,476,588	1,471,233	884,559
	1,459,478	4,185,189	2,075,014	302,930	545,733	1,494,778
	-	-	-	-	-	-
	-	-	-	-	-	-
	701,295	758,028	1,000,794	1,171,585	1,154,586	1,070,137
	119,081	24,211	81,218	298,843	355,402	557,754
	454,524	228,544	368,483	384,015	442,707	945,593
	<u>16,197,258</u>	<u>19,400,691</u>	<u>18,537,529</u>	<u>19,096,619</u>	<u>19,178,653</u>	<u>20,488,036</u>
	2,514,329	3,198,690	3,495,930	3,482,374	3,491,929	2,950,899
	8,865,060	8,900,566	9,042,394	10,502,943	10,508,683	10,264,128
	1,476,769	1,408,225	2,619,041	2,625,262	1,902,119	1,746,800
	131,517	-	-	203,978	215,701	228,227
	994,606	1,720,194	2,096,822	2,766,323	2,008,694	1,823,452
	421,307	446,887	497,044	598,926	639,210	578,096
	4,511,990	2,151,747	2,399,554	3,271,772	1,345,667	929,812
	741,166	740,253	1,024,270	1,304,634	4,750,097	1,370,554
	567,947	549,903	521,623	581,617	525,730	1,058,346
	142,691	-	119,186	-	206,484	-
	<u>20,367,382</u>	<u>19,116,465</u>	<u>21,815,864</u>	<u>25,337,829</u>	<u>25,594,314</u>	<u>20,950,314</u>
	(4,170,124)	284,226	(3,278,335)	(6,241,210)	(6,415,661)	(462,278)
	1,425,595	1,079,973	1,706,162	1,029,350	1,222,961	(73,559)
	3,322,054	54,090	6,930,531	721,269	615,715	72,281
	(3,215,951)	-	(4,350,000)	-	-	-
	-	-	-	-	12,167,620	-
	305,381	182,165	370,673	377,661	74,185	39,437
	<u>1,837,079</u>	<u>1,316,228</u>	<u>4,657,366</u>	<u>2,128,280</u>	<u>14,080,481</u>	<u>38,159</u>
\$	<u>(2,333,045)</u>	<u>\$ 1,600,454</u>	<u>\$ 1,379,031</u>	<u>\$ (4,112,930)</u>	<u>\$ 7,664,820</u>	<u>\$ (424,119)</u>
	8.26%	7.60%	7.96%	8.55%	21.97%	12.16%

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City of Mount Pleasant, Texas

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

Table 5

Fiscal Year	Real Property	Personal Property	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2016	\$ 876,046,975	\$ 302,583,248	\$ 271,046,415	\$ 907,583,808	\$ 0.3437
2017	933,667,070	301,341,991	305,600,799	929,408,262	0.3437
2018	1,002,324,819	324,977,786	311,986,965	1,015,315,640	0.3712
2019	1,097,735,889	349,805,243	343,282,418	1,104,258,714	0.3712
2020	1,147,076,394	319,354,610	338,444,697	1,127,986,307	0.3678
2021	1,153,739,369	341,154,143	322,369,643	1,172,523,869	0.3620
2022	1,143,343,939	351,335,773	330,589,105	1,164,090,607	0.3603
2023	1,337,791,808	427,457,738	395,026,366	1,370,223,180	0.3448
2024	1,712,901,025	462,437,794	484,778,006	1,690,560,813	0.3404
2025	1,809,100,781	476,821,113	495,078,864	1,790,843,030	0.3660

Tax rates per \$100 of assessed valuation.

Source: Titus County Appraisal District

City of Mount Pleasant, Texas

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Years

Table 6

	2016	2017	2018	2019
Direct Rates:				
City of Mount Pleasant - Operating	\$ 0.3411	\$ 0.3140	\$ 0.3135	\$ 0.3016
City of Mount Pleasant - Cemetery	-	-	-	-
City of Mount Pleasant - Debt Service	0.0026	0.0297	0.0577	0.0696
Total Direct Rate	0.3437	0.3437	0.3712	0.3712
 Overlapping Rates:				
Mount Pleasant ISD	1.2120	1.2390	1.2180	1.3400
Titus County	0.4584	0.4790	0.5085	0.4742
Total Direct and Overlapping Rates	2.0141	2.0617	2.0977	2.1854

Tax rates per \$100 of assessed valuation.

Source: Titus County Appraisal District

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 0.2980	\$ 0.2922	\$ 0.2615	\$ 0.2668	\$ 0.2624	\$ 0.2624
0.0028	0.0028	0.0028	0.0025	0.0025	0.0024
0.0698	0.0698	0.0960	0.0755	0.0755	0.0755
<u>0.3706</u>	<u>0.3648</u>	<u>0.3603</u>	<u>0.3448</u>	<u>0.3405</u>	<u>0.3404</u>
1.2917	1.2590	1.1592	0.8952	0.8857	0.8721
0.4679	0.4669	0.4263	0.3690	0.3630	0.3861
<u>2.1302</u>	<u>2.0907</u>	<u>1.9458</u>	<u>1.6090</u>	<u>1.5892</u>	<u>1.5986</u>

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City of Mount Pleasant, Texas

PRINCIPAL PROPERTY TAXPAYERS

Current Year

Table 7

Property Tax Payer	Type of Business	2025		
		Taxable Assessed Value	Rank	% of Taxable Assessed Value
Pilgrims	Food Packaging/Processing	\$ 86,403,770	1	6.31%
Priefert Manufacturing Co. ACCT	Industrial Manufacturing	63,950,710	2	4.67%
Grow Bounti Northwest LLC	Controlled Environment Agriculture	33,130,376	3	2.42%
Priefert Manufacturing Co. Inc	Trailer /Industrial Manufacturing	28,806,080	4	2.10%
Newly Weds Foods	Food Packaging/Processing	26,607,650	5	1.94%
PMCI Properties II LP	Business Services	19,627,543	6	1.43%
Diamond C Trailers	Trailer /Industrial Manufacturing	18,496,000	7	1.35%
Southwestern Electric Power Co..	Electric Utility Power Plant	16,191,780	8	1.18%
Trans Texas Tire LLC	Tire / Wheel Components	15,492,230	9	1.13%
Newly Weds Foods	Food Packaging/Processing	14,488,727	10	1.06%
Total		<u>\$ 323,194,866</u>		<u>23.59%</u>
Total Assessed Valuation		<u>\$ 1,370,223,180</u>		<u>100.00%</u>

Source: Titus County Appraisal District

City of Mount Pleasant, Texas
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Years
Table 8

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Tax levy	\$ 3,029,813	\$ 3,119,366	\$ 3,194,376	\$ 3,768,852
Current tax collected	\$ 3,013,755	\$ 3,065,713	\$ 3,142,308	\$ 3,700,636
Percent of current tax collections	99.47%	98.28%	98.37%	98.19%
Delinquent tax collections	\$ 12,906	\$ 50,323	\$ 47,595	\$ 62,144
Total tax collections	\$ 3,026,661	\$ 3,116,036	\$ 3,189,903	\$ 3,762,780
Total collections as a percentage of levy	99.90%	99.89%	99.86%	99.84%

Source: Titus County Appraisal District/Titus County Tax Office

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$	4,086,217	\$ 4,117,800	\$ 4,214,008	\$ 4,920,902	\$ 5,525,009	\$ 5,734,926
\$	4,000,406	\$ 4,058,400	\$ 4,160,276	\$ 4,830,084	\$ 5,390,498	\$ 5,596,613
	97.90%	98.56%	98.72%	98.15%	97.57%	97.59%
\$	77,304	\$ 46,122	\$ 37,868	\$ 61,377	\$ 65,570	\$ -
\$	4,077,710	\$ 4,104,522	\$ 4,198,144	\$ 4,891,461	\$ 5,456,068	\$ 5,596,613
	99.79%	99.68%	99.62%	99.40%	98.75%	97.59%

City of Mount Pleasant, Texas

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Years

Table 9

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental activities:				
General Obligation Bonds	\$ -	\$ -	\$ -	\$ -
Certificates of Obligation	9,986,344	9,509,488	17,365,000	16,825,000
Premiums	-	-	-	701,569
Leases/SBITA/Notes payable	-	-	-	11,166
Business-type activities:				
General Obligation Bonds	-	3,020,859	2,410,000	1,735,000
Certificates of Obligation	-	-	-	-
Premiums	-	-	-	-
Discounts	-	-	-	(45,999)
Leases/notes payable	-	-	-	11,165
Contract Revenue Bonds	25,913,032	21,625,000	20,975,000	20,305,000
Total primary government	<u><u>\$ 35,899,376</u></u>	<u><u>\$ 34,155,347</u></u>	<u><u>\$ 40,750,000</u></u>	<u><u>\$ 39,542,901</u></u>

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Source: City Staff

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 2,870,000	\$ 2,685,000	\$ 6,541,000	\$ 5,930,000	\$ 5,345,000	\$ 5,075,000
12,955,000	12,440,000	7,920,000	7,750,000	15,300,000	15,120,000
1,039,917	916,027	701,854	586,992	1,558,323	1,392,036
305,381	688,486	3,096,226	3,286,525	3,255,493	2,407,220
1,465,000	1,205,000	950,000	700,000	460,000	225,000
3,985,000	59,545,000	59,460,000	59,375,000	82,405,000	81,885,000
149,980	2,308,846	2,264,951	2,147,630	3,979,210	3,820,819
(39,428)	(32,858)	(26,286)	(19,716)	(13,146)	(6,576)
-	238,482	869,883	836,758	670,301	416,964
19,180,000	18,035,000	16,870,000	15,685,000	14,475,000	13,240,000
<u>\$ 41,910,850</u>	<u>\$ 98,028,983</u>	<u>\$ 98,647,628</u>	<u>\$ 96,278,189</u>	<u>\$ 127,435,181</u>	<u>\$ 123,575,463</u>

City of Mount Pleasant, Texas
RATIO OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Years
Table 10

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
NET TAXABLE ASSESSED VALUE (2)				
All property	\$ 881,528,357	\$ 907,583,808	\$ 929,408,262	\$ 1,015,315,640
NET BONDED DEBT (3)				
Gross bonded debt	13,460,000	12,495,000	19,775,000	18,560,000
Less debt service funds	-	-	-	-
Net Bonded Debt	<u>\$ 13,460,000</u>	<u>\$ 12,495,000</u>	<u>\$ 19,775,000</u>	<u>\$ 18,560,000</u>
RATIO OF NET BONDED DEBT TO ASSESSED VALUE	1.53%	1.38%	2.13%	1.83%
POPULATION (1)	16,419	16,566	16,714	16,863
TAXABLE ASSESSED VALUATION PER CAPITA	53,690	54,786	55,607	60,210
NET BONDED DEBT PER CAPITA	\$ 820	\$ 754	\$ 1,183	\$ 1,101

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) Source: MPEDC

(2) As Reported by the Appraisal District

(3) Include Self-supported debt

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 1,104,264,714	\$ 1,127,986,307	\$ 1,370,223,180	\$ 1,605,533,850	\$ 1,690,560,813	\$ 1,790,843,030
21,275,000	21,925,000	24,361,000	22,315,000	20,280,000	18,540,000
-	-	-	-	893,650	421,051
<u>\$ 21,275,000</u>	<u>\$ 21,925,000</u>	<u>\$ 24,361,000</u>	<u>\$ 22,315,000</u>	<u>\$ 19,386,350</u>	<u>\$ 18,118,949</u>
1.93%	1.94%	1.78%	1.39%	1.15%	1.01%
17,014	17,167	16,015	16,015	15,822	16,295
64,903	65,707	85,559	100,252	106,849	109,901
\$ 1,250	\$ 1,277	\$ 1,521	\$ 1,393	\$ 1,225	\$ 1,112

City of Mount Pleasant, Texas

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

September 30, 2025

Table 11

Governmental Unit	Net Bonded Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Harts Bluff ISD	\$ 258,000	47%	\$ 121,079
Mount Pleasant Independent School District	77,305,000	60%	46,591,724
Northeast Texas CCD	21,595,339	26%	5,670,936
Titus County	80,100,000	48%	38,776,410
Titus County FWSD #1	-	0%	-
Titus County Hospital District	-	0%	-
Subtotal, overlapping debt			91,160,149
City direct debt	18,540,000	100.00%	18,540,000
Total direct and overlapping debt			\$ 109,700,149

Sources: City Staff

City of Mount Pleasant, Texas

LEGAL DEBT MARGIN INFORMATION

Current Fiscal Year

Table 12

Net Assessed Value	\$ 1,790,843,030
Plus Exempt Property	<u>495,078,864</u>
Total Assessed Value	<u><u>2,285,921,894</u></u>
Debt Limit - (10%) of Total Assessed Value	228,592,189
Less amount of debt applicable to debt limits	\$ 18,540,000
Legal Debt Margin	<u><u>210,052,189</u></u>
The Debt Rate legal limit percentage	9%

As a home rule city, the City is not limited by law in the amount of debt it may issue.

Article IV of the City Charter states in part:

In keeping with the Constitution and laws of the state of Texas and not contrary there, the city shall have the power to borrow money on the credit of the city for any public purpose or for any permanent improvement now or hereafter prohibited by the constitution and laws of the State of Texas.

Texas Local Government code section 1507.152 -.154 states the governing body may pledge to the payment of bonds issued under this subchapter an ad valorem tax sufficient to pay when due the principal of and interest on the bonds. A municipality may not issue bonds under this subchapter in a principal amount that: Exceeds the amount of loss sustained or anticipated by the municipality and the cost of issuing the bonds; or would result in the outstanding aggregate principal amount of tax bond indebtedness of the municipality exceeding 10% of the Assessed valuation of taxable property in the municipality according to the most recent ad valorem tax roll of the municipality.

City of Mount Pleasant, Texas

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years

Table 13

Fiscal Year ended 9/30	(1) Total Revenue	(2) Less Operating Expense	Net Available Revenue	(3) Avg. Annual debt service	Coverage
2016	\$ 9,820,646	\$ 6,843,140	\$ 2,977,506	\$ 1,029,106	2.89
2017	10,621,511	7,223,990	3,397,521	1,581,972	2.15
2018	11,345,594	9,544,724	1,800,870	1,589,719	1.13
2019	11,707,347	9,319,449	2,387,898	1,620,011	1.47
2020	11,409,873	10,403,653	1,006,220	1,406,165	0.72
2021	12,862,921	11,408,604	1,454,317	1,573,271	0.92
2022	15,288,849	11,635,862	3,652,987	1,627,370	2.24
2023	18,067,094	15,718,068	2,349,026	1,747,047	1.34
2024	16,627,416	14,556,400	2,071,016	3,247,741	0.64
2025	21,008,352	11,744,594	9,263,758	1,685,953	5.49

Source: Hilltop Securities Annual Disclosure

- (1) Gross Revenue includes all water and sewer revenues.
- (2) Operating expense includes all water and sewer expense less depreciation expense.
- (3) Average annual debt service is the average principal and interest payments paid for all water and sewer bonds.

City of Mount Pleasant, Texas
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years
Table 14

(1)

Fiscal Year ended 9/30	Estimated population	Median Income	Per Capita Personal Income	Median Household Income	Median Age
2016	16,419	62,898	17,165	45,026	30.1
2017	16,566	63,761	15,762	46,980	29.2
2018	16,714	32,162	17,165	45,604	30.1
2019	16,863	34,352	18,366	43,819	32
2020	17,014	50,515	19,893	48,567	31.6
2021	17,167	51,450	21,730	48,240	32.7
2022	16,361	51,450	20,352	49,853	31.41
2023	16,015	56,163	22,858	51,689	29.5
2024	15,822	51,316	22,858	54,837	31
2025	16,295	53,039	24,317	53,039	30

(1) Source: City Staff and MPEDC

Note: Unable to obtain some data for the City of Mount Pleasant

N/D No reliable data

City of Mount Pleasant, Texas

PRINCIPAL EMPLOYERS

Current Fiscal Year

Table 15

Employer	Type of Business	¹ 9/30/2025	
		Employees	Rank
Pilgrim's Pride MP	Poultry Processor	3,194	1
Priefert Manufacturing	Ranch Equipment	1,113	2
Mount Pleasant Independent School District	ISD	1,009	3
Titus Regional Medical Center	Medical Center	868	4
Diamond C Trailers	Trailer Manufacturer	659	5
Big Tex Trailer Mfg., Inc.	Trailer Manufacturer	298	6
Walmart	Retail	268	7
Newly Weds Foods, Inc.	Food Process	249	8
Chapel Hill Independent School District	ISD	219	9
City of Mount Pleasant	City Government	175	10
Total		8,052	

Source: MPEDC

¹ Nine years from current year was not available for presentation

City of Mount Pleasant, Texas

FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION/PROGRAM

Last Ten Fiscal Years

Table 16

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government and admin.	9	9	10	11	11	18	23	24	20	17
Public safety	75	81	81	80	80	80	86	87	84	82
Public works	12	12	13	12	11	14	10	10	7	8
Community develop.	13	13	13	13	13	10	11	10	10	10
Culture and recreation	22.5	23.5	23.5	22.5	22.5	19.5	30.0	29.0	29	28
Water and sewer	32	32	32	34	34	37	26	27	27	28
EDC	1	1	1	1.5	2	2	2	2	2	2
Total	<u>165</u>	<u>171.50</u>	<u>173.50</u>	<u>174.00</u>	<u>173.50</u>	<u>180.00</u>	<u>188.00</u>	<u>189.00</u>	<u>178.00</u>	<u>175.00</u>

Sources: Various City departments.

Note: FTE are based on 2080 hours

City of Mount Pleasant, Texas
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years
Table 17

Function/Program	2016	2017	2018
Public Safety:			
Municipal Court:			
Number of cases filed	5,807	7,668	8,325
Police:			
Citation issued	6,073	9,899	10,846
Fire:			
Number of calls answered	1,064	1,092	898
Number of inspections	401	388	358
Animal Control			
Number of calls answered	774	834	815
Public Works:			
Number of streets maintained	250	282	282
Number of calls answered			
Code Compliance:			
Number of Inspections	N/D	N/D	N/D
Building Inspections	N/D	N/D	N/D
Water:			
New connections	120	17	27
Average daily consumption (millions of gallons)	6	6.45	6.32
Wastewater:			
Average daily sewage treatment (millions of gallons)	2.1	2.1	2.1

Sources: Various City departments.

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
4,871	4,447	4,583	5,200	5,505	5,086	3,987
5,795	3,131	3,062	3,666	3,290	2,845	2,169
829	818	878	878	1,028	926	957
62	54	77	77	335	293	294
814	989	799	936	1,114	1,200	1,317
272	345	260	260	266	266	266
						209
427	1,129	1,929	4,229	4,502	5,693	5,218
1,542	1,324	1,976	2,352	2,622	2,535	2,436
26	30	69	69	60	20	30
6.64	7.71	6.06	6.06	6.76	7.36	6.90
2.43	2.81	2.23	2.23	2.12	1.99	2.30

City of Mount Pleasant, Texas
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Ten Years
Table 18

Function/Program	2016	2017	2018	2019
Public safety:				
Police Stations	1	1	1	1
Patrol units	12	12	12	12
Fire Stations	2	2	2	2
Public works:				
Streets (miles)	110.4	110.4	110.4	110.4
Parks and Recreation:				
Parks (acreage)	188.08	188.08	188.08	188.08
Number of playgrounds	6	6	6	6
Number of baseball/softball fields	20	20	20	20
Number of soccer fields	0	0	0	0
Number of football fields	0	0	0	0
Water:				
Water mains (miles)	205	205	205	205
Number of fire hydrants	900	900	900	900
Storage capacity (millions of gallons)	7.6	7.6	7.6	7.6
Sewer:				
Sanitary sewers (miles)	190	190	190	190
Airport:				
Runaways maintained (feet)				
Length	6,004	6,004	6,004	6,004
Width	100	100	100	100

Sources: Various City departments.

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
1	1	1	1	1	1
12	12	12	12	13	13
2	2	2	2	2	2
110.4	110.4	110.4	112.2	112.2	117.0
188.08	333.08	795.00	795.00	795.00	795.00
6	7	6	6	7	8
20	24	19	19	19	19
0	0	18	18	18	18
0	0	1	1	1	1
205	205	205	205	205	205
900	900	900	1,020	1,020	1,020
7.6	7.6	7.6	7.6	7.6	7.6
190	190	190	190	195	195
6,004	6,004	6,004	6,004	6,004	6,004
100	100	100	100	100	100



AGENDA ITEM REPORT

Meeting: City Council - May 19 2026

Staff Contact: Rebecca Elliott, Interim Finance Director

Department: Finance

Subject: Monthly Financial Report for Month Ended April 30, 2026

Item Summary:

The Monthly Financial Report for the City of Mount Pleasant, Texas, for the month ended April 30, 2026, is hereby submitted.

Recommendation(s):

No Motion Needed.

Attachments:

[MONTHLY FINANCIALS REPORT APRIL 2026](#)



City of Mount Pleasant
Monthly Financial Report

For the Period End April 2026

About This Report

This report has been prepared by the City of Mount Pleasant's Finance Department. The Comprehensive Monthly Financial Report (CMFR) is intended to provide our audience (internal and external users) with timely and relevant information regarding the City's financial position. The report includes the following information:

- The Financial Summary reports the performance of the major operating funds of the City. In addition, the report provides a comparison to budget for major revenue sources and expenditure items. Narrative disclosures are included to highlight any significant changes or fluctuations. Graphs are included to show monthly breakdown of major revenues.
- The report also contains a high level fund balance summary for all City funds. The report provides year-to-date revenues, expenditures, and transfers.
- The Budget Amendments Summary contains all amendments to the budget approved in accordance with Budget Ordinance 2025-17 approved on September 16th, 2025.

If you would like additional information, feel free to contact Rebecca Elliott at (903) 575-4000.



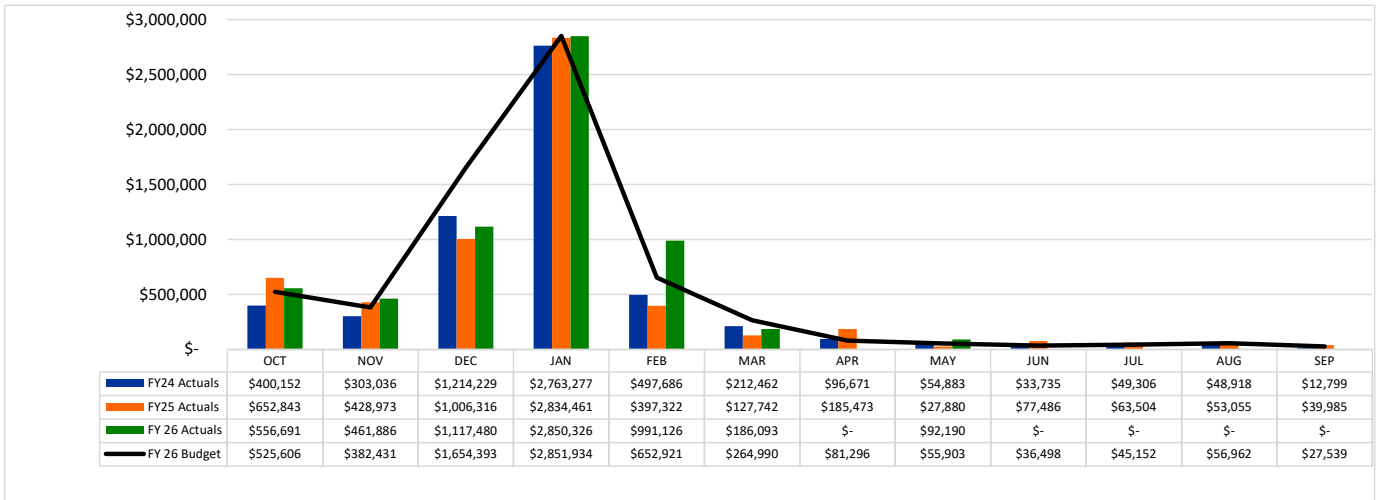
City of Mount Pleasant
General Fund
 Schedule of Revenues & Expenditures - Budget vs Actual (Unaudited)
 For the Period End April 2026

	Current Fiscal Year, 2025-2026						Prior Year	
	Budget	Apr-2026	Apr-2026	Y-T-D	Y-T-D	Y-T-D	Apr-2025	Y-T-D
	FY 2025-2026	Actual	% of Budget	Actual	Variance	% of Budget	Actual	% of Budget
REVENUES								
PROPERTY TAX	\$ 5,088,600	\$ -	0.0%	\$ 4,703,105	\$ 385,495	92.4%	\$ 4,317,925	93.2%
PENALTIES	55,000	-	0.0%	36,501	18,499	66.4%	40,437	89.9%
SALES TAX	6,325,300	430,087	6.8%	3,855,551	2,469,749	61.0%	3,577,228	52.2%
LIQUOR TAX	30,000	3,032	10.1%	25,198	4,802	84.0%	17,337	50.5%
FINES	575,000	63,527	11.0%	386,499	188,501	67.2%	313,691	48.3%
LANDFILL FEES	1,150,000	116,096	10.1%	770,325	379,675	67.0%	501,177	40.1%
PERMITS & FEES	426,000	42,186	9.9%	277,714	148,286	65.2%	212,928	60.1%
OTHER USER FEES	389,500	32,948	8.5%	233,724	155,776	60.0%	278,455	73.5%
CONTRACT INCOME	715,000	54,167	7.6%	379,167	335,833	53.0%	379,167	58.3%
INTEREST INCOME	100,000	12,260	12.3%	77,164	22,836	77.2%	58,830	45.3%
GRANT INCOME	-	-	-	-	-	-	65,898	-
INTERFUND TRANSFERS	1,000,000	83,333	8.3%	583,333	416,667	58.3%	525,072	58.3%
MISC. INCOME	20,000	22,328	111.6%	92,791	(72,791)	464.0%	47,277	13.5%
TOTAL REVENUES	\$ 15,874,400	\$ 859,963		\$ 11,421,072	\$ 4,453,328	71.9%	\$ 10,335,421	63.7%
EXPENDITURES								
LEGISLATIVE	\$ 42,000	\$ 3,764	9.0%	\$ 28,675	\$ 13,325	68.3%	\$ 27,026	64.4%
GENERAL ADMINISTRATION	712,991	62,322	8.7%	420,780	292,211	59.0%	399,839	56.8%
LEGAL	125,000	99	0.1%	237	124,763	0.2%	101,198	101.2%
TAX ASSESSMENT & COLLECTION	200,000	(20,770)	-10.4%	105,591	94,409	52.8%	119,800	74.9%
HUMAN RESOURCES	114,941	7,197	6.3%	54,284	60,657	47.2%	71,714	55.5%
ELECTIONS	15,000	-	0.0%	-	15,000	0.0%	17,960	67.1%
TECHNOLOGY	275,000	12,880	4.7%	192,414	82,586	70.0%	197,022	70.8%
NON-DEPARTMENTAL	557,676	55,812	10.0%	593,561	(35,885)	106.4%	615,214	71.2%
MUNICIPAL COURT	364,594	18,283	5.0%	170,334	194,260	46.7%	191,608	56.0%
ANIMAL SERVICES	412,451	24,898	6.0%	198,045	214,406	48.0%	203,758	52.3%
POLICE DEPARTMENT	5,288,334	395,004	7.5%	3,010,916	2,277,418	56.9%	2,947,403	56.1%
FIRE DEPARTMENT	4,035,098	298,503	7.4%	2,205,876	1,829,222	54.7%	2,089,063	51.7%
PLANNING DEPARTMENT	298,557	25,020	8.4%	153,654	144,903	51.5%	165,316	51.0%
BUILDING & DEVELOPMENT	286,627	19,160	6.7%	159,648	126,979	55.7%	140,495	49.8%
CODE ENFORCEMENT	214,186	18,939	8.8%	96,777	117,409	45.2%	125,830	49.7%
FLEET SERVICES	547,780	40,235	7.3%	232,085	315,695	42.4%	272,748	46.1%
BUILDING MAINTENANCE	191,174	13,202	6.9%	100,429	90,745	52.5%	119,523	52.1%
PARK DEPARTMENT	1,601,032	101,131	6.3%	798,803	802,229	49.9%	691,490	40.4%
LIBRARY	606,006	44,959	7.4%	317,511	288,495	52.4%	316,622	51.8%
TOTAL EXPENDITURES	\$ 15,888,447	\$ 1,120,637		\$ 8,839,621	\$ 7,048,826	55.6%	\$ 8,813,629	54.0%
EXCESS/ (DEFICIT)	\$ (14,047)	\$ (260,674)		\$ 2,581,450			\$ 1,521,793	

KEYTRENDS	
Revenues	Expenditures
<p>Property tax revenue was trued up year to date (YTD) with no revenue recorded in April to bring the YTD revenue on a cash basis until September. An additional \$70K will deposit in May bringing the YTD up to target 95%.</p> <p>Sales tax revenue (61%) is trending higher than the straight-line (58.3%) for the seventh month of the fiscal year and up from May 2025 (52.2%).</p> <p>Overall General Fund revenues are up (71.9%) in comparison to budget, from this time last year (63.7%), and in comparison to a straight-line (58.3%).</p>	<p>Overall General Fund expenditures are up (55.6%) in comparison to budget, from this time last year (54%), and in comparison to a straight-line (58.3%) for an overall positive trend in fund balance.</p>



City of Mount Pleasant Property Tax Collections by Month For the Period End April 2026

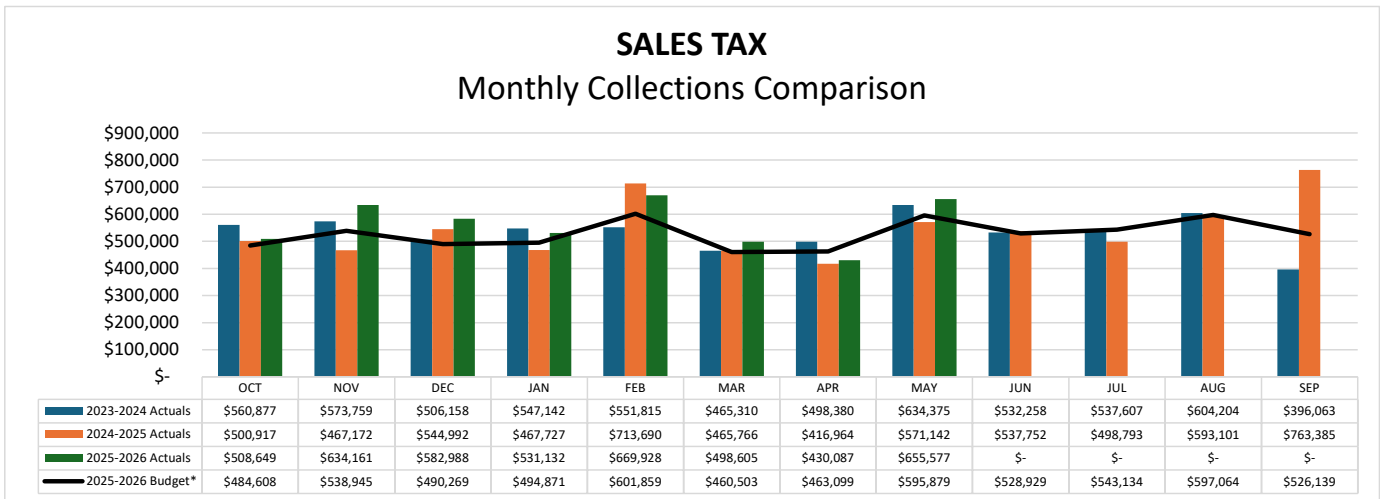


PROPERTY TAX VARIANCE

Actual to Budget (%) **-2.66%** Current Yr to Prior Yr (%) **13.14%**
 Actual to Budget (\$) \$ **(168,673)** Current Yr to Prior Yr (\$) \$ **715,945**



City of Mount Pleasant Sales Tax Collections by Month For the Period End April 2026



SALES TAX VARIANCE

Actual to Budget (%) **11.54%** Current Yr to Prior Yr (%) **8.39%**
 Actual to Budget (\$) \$ **354,408** Current Yr to Prior Yr (\$) \$ **265,200**



City of Mount Pleasant

Utility Fund

Schedule of Revenues & Expenditures - Budget vs Actual (Unaudited)
For the Period End April 2026

	Current Fiscal Year, 2025-2026						Prior Year	
	Budget	Apr-2026	Apr-2026	Y-T-D	Y-T-D	Y-T-D	Apr-2025	Y-T-D
	FY 2025-2026	Actual	% of Budget	Actual	Variance	% of Budget	Y-T-D Actual	% of Budget
REVENUES								
PENALTIES	\$ 132,000	\$ 24,526	18.6%	\$ 160,095	\$ (28,095)	121.3%	\$ 97,660	64.8%
INTEREST INCOME	90,000	6,034	6.7%	52,810	37,190	58.7%	57,550	29.8%
MISC. INCOME	75,000	8,303	11.1%	70,585	4,415	94.1%	49,182	37.3%
WATER SALES	12,000,000	958,825	8.0%	6,798,666	5,201,334	56.7%	6,275,902	46.1%
SEWER CHARGES	4,500,000	356,629	7.9%	2,598,651	1,901,349	57.7%	2,386,599	58.9%
SOLID WASTE COLLECTION FEES	3,500,000	300,310	8.6%	2,054,286	1,445,714	58.7%	1,984,144	55.0%
TAP AND CONNECT FEES	100,000	2,892	2.9%	119,760	(19,760)	119.8%	61,917	38.7%
LEASES AND RENTALS	35,000	3,750	10.7%	15,647	19,353	44.7%	21,293	52.4%
TOTAL REVENUES	\$ 20,432,000	\$ 1,661,270		\$ 11,870,500	\$ 8,561,500	58.1%	\$ 10,934,246	49.8%
EXPENDITURES								
NON-DEPARTMENTAL	\$ 1,979,026	\$ 118,922	6.0%	\$ 1,127,129	\$ 851,897	57.0%	\$ 1,235,600	70.0%
UTILITY ADMINISTRATION	1,206,556	86,350	7.2%	555,229	651,327	46.0%	712,027	38.6%
FLEET SERVICES	553,689	36,801	6.6%	265,073	288,616	47.9%	234,057	40.4%
SOLID WASTE MANAGEMENT	3,183,100	299,325	9.4%	1,826,764	1,356,336	57.4%	1,529,091	40.0%
WATER TREATMENT	2,735,128	212,643	7.8%	1,509,746	1,225,382	55.2%	1,500,843	43.0%
FRESH WATER SUPPLY	1,806,561	145,041	8.0%	1,013,493	793,068	56.1%	1,051,567	49.9%
WASTEWATER PLANTS	1,043,793	115,591	11.1%	461,663	582,130	44.2%	368,177	35.2%
UTILITY DEPARTMENT	1,830,905	104,176	5.7%	908,698	922,207	49.6%	757,939	41.6%
DEBT SERVICE	5,245,327	400	0.0%	2,712,303	2,533,024	51.7%	2,800,537	56.7%
TOTAL EXPENDITURES	\$ 19,584,085	\$ 1,119,250		\$ 10,380,098	\$ 9,203,987	53.0%	\$ 10,189,838	48.1%
EXCESS/ (DEFICIT)	\$ 847,915	\$ 542,020		\$ 1,490,402			\$ 744,408	

KEYTRENDS	
Revenues	Expenditures
Overall utility revenues are budget neutral (58.1 versus 58.3%) and up from April 2025 (58.1 versus 49.8%)	All categories and overall expenditures are under straight-line target (53% versus 58.3%) and higher than April 2025 (53% versus 48.1%) for a positive trend in fund balance.



City of Mount Pleasant

Civic Center Fund

Schedule of Revenues & Expenditures - Budget vs Actual (Unaudited)
For the Period End April 2026

	Current Fiscal Year, 2025-2026						Prior Year	
	Budget	Apr-2026	Apr-2026	Y-T-D	Y-T-D	Y-T-D	Apr-2025	Y-T-D
	FY 2025-2026	Actual	% of Budget	Actual	Variance	% of Budget	Actual	% of Budget
REVENUES								
LEASES AND RENTALS	\$ 95,000	\$ 8,695	9.2%	\$ 68,018	\$ 26,983	71.6%	\$ 50,583	44.0%
HOTEL REVENUES	700,000	71,828	10.3%	411,516	288,484	58.8%	372,484	43.6%
TOTAL REVENUES	\$ 795,000	\$ 80,523	10.1%	\$ 479,534	\$ 315,466	60.3%	\$ 423,067	43.6%
EXPENDITURES								
PARK DEPARTMENT	\$ 448,763	\$ 33,383	7.4%	\$ 277,813	\$ 170,950	61.9%	\$ 287,185	55.2%
COMMUNITY CENTER	17,000	765	4.5%	8,350	8,650	49.1%	7,844	43.6%
TOURISM	209,732	3,506	1.7%	100,337	109,395	47.8%	75,948	37.4%
HOTEL MOTEL	212,000	-	0.0%	103,500	108,500	48.8%	105,000	48.3%
TOTAL EXPENDITURES	\$ 887,495	\$ 37,655	4.2%	\$ 489,999	\$ 397,496	55.2%	\$ 475,977	49.7%
EXCESS/ (DEFICIT)	\$ (92,495)	\$ 42,869		\$ (10,465)			\$ (52,910)	

KEYTRENDS

Revenues	Expenditures
Leases and rentals are above the straight-line target (71.6% versus 58.3%)	Expenditures are below budget (55.2% versus 58.3% YTD) and higher than April 2025 (55.2% versus 49.7%).
Hotel occupancy revenue in budget neutral (58.8% versus 58.3%) and overall revenue is a positive (60.3%) to budget and up from last year this time (43.6%).	Overall the net change in fund balance is negative (10.5K) but positive compared to budget (92.5K) and last year (52.9K).



City of Mount Pleasant

Debt Service Fund

Schedule of Revenues & Expenditures - Budget vs Actual (Unaudited)

For the Period End April 2026

	Current Fiscal Year, 2025-2026						Prior Year	
	Budget	Apr-2026	Apr-2026	Y-T-D	Y-T-D	Y-T-D	Apr-2025	Y-T-D
	FY 2025-2026	Actual	% of Budget	Actual	Variance	% of Budget	Y-T-D Actual	% of Budget
REVENUES								
PROPERTY TAX	\$ 1,433,000	\$ -	0.0%	\$ 1,373,404	\$ 59,596	95.8%	\$ 1,223,867	97.7%
PENALTIES	15,000	-	0.0%	9,924	5,076	66.2%	10,960	91.3%
INTEREST INCOME	20,000	3,232	16.2%	11,354	8,646	56.8%	13,517	67.6%
TOTAL REVENUES	\$ 1,468,000	\$ 3,232	0.2%	\$ 1,394,681	\$ 73,319	95.0%	\$ 1,248,343	97.2%
EXPENDITURES								
CONTRACTUAL AND FEE SERVICES	\$ -	\$ 400		\$ 5,092	\$ (5,092)		\$ 5,525	
PRINCIPAL	913,892	-	0.0%	315,000	598,892	34.5%	309,000	40.4%
INTEREST	945,399	-	0.0%	474,321	471,078	50.2%	530,119	52.4%
TOTAL EXPENDITURES	\$ 1,859,291	\$ 400	0.0%	\$ 794,413	\$ 1,064,878	42.7%	\$ 844,644	47.5%
EXCESS/ (DEFICIT)	\$ (391,291)	\$ 2,832		\$ 600,268			\$ 403,699	

KEYTRENDS

Revenues	Expenditures
Property tax hit the 95% general rule target for post current deadline in collections. Overall revenue is down from April 2025 (95% versus 97.2%). An accounting correction to record property tax in the proper period shows 0 in April but will be a positive in May.	Debt Service payments are made in November and May. \$951K will be paid on debt service principle and interest in May.



City of Mount Pleasant

Economic Development Funds

Schedule of Revenues & Expenditures - Budget vs Actual (Unaudited)

For the Period End April 2026

	Current Fiscal Year, 2025-2026						Prior Year	
	Budget	Apr-2026	Apr-2026	Y-T-D	Y-T-D	Y-T-D	Apr-2025	Y-T-D
	FY 2025-2026	Actual	% of Budget	Actual	Variance	% of Budget	Y-T-D Actual	% of Budget
REVENUES								
SALES TAX	\$ 2,000,000	164,967	8.2%	\$ 1,283,066	\$ 716,934	64.2%	\$ 1,187,365	59.4%
INTEREST INCOME	157,196	15,512	9.9%	113,422	43,774	72.2%	131,110	87.4%
MISC. INCOME	236,660	-	0.0%	236,815	(155)	100.1%	25,862	0.0%
LEASES AND RENTALS	42,000	-	0.0%	-	42,000	0.0%	24,500	49.0%
TOTAL REVENUES	\$ 2,435,856	\$ 180,479	7.4%	\$ 1,633,303	\$ 802,553	67.1%	\$ 1,368,836	62.2%
EXPENDITURES								
PAYROLL	\$ 455,521	36,400	8.0%	243,402	212,119	53.4%	\$ 165,955	42.0%
OPERATIONS AND MAINTENANCE	247,600	7,179	2.9%	101,281	146,319	40.9%	187,581	44.1%
OTHER EXPENSES	1,615,000	3,050	0.2%	416,316	1,198,684	25.8%	3,473,436	78.5%
INTERFUND TRANSFERS	5,200	433	8.3%	3,033	2,167	58.3%	3,031	58.3%
TOTAL EXPENDITURES	\$ 2,323,321	\$ 47,062	2.0%	\$ 764,033	\$ 1,559,288	32.9%	\$ 3,830,004	73.0%
EXCESS/ (DEFICIT)	\$ 112,535	\$ 133,418		\$ 869,270			\$ (2,461,167)	

KEYTRENDS

Revenues	Expenditures
Overall revenues are positive to budget (67.1% versus 62.2%)	Expenditures are below budget (32.9% versus 73.0%). There is a positive trend in fund balance (736K compared to 113K).



City of Mount Pleasant
Fund Balance Summary
 For the Period End April 2026

	Unaudited Fund				Unaudited Fund
	Balance	Year-To-Date	Year-To-Date	Transfers	Balance
	9/30/2025	Revenues	Expenses	In/(Out)	9/30/2026
GENERAL FUNDS					
100 General	\$ 3,651,218	\$ 10,837,738	\$ (8,494,230)	\$ 237,942	\$ 6,232,668
115 Streets	622,383	779,729	(668,607)	233,333	966,838
165 General Capital	(320,314)	59,693	(365,837)	349,767	(276,691)
200 Insurance	364,357	-	(171,129)	161,583	354,811
	\$ 4,317,644	\$ 11,677,160	\$ (9,699,803)	\$ 982,625	\$ 7,277,626
PROPRIETARY FUNDS					
300 Utility	\$ 30,474,202	\$ 11,870,500	\$ (9,404,873)	\$ (975,626)	\$ 31,964,203
335 Airport	6,523,554	755,534	(701,177)	-	6,577,911
	\$ 36,997,756	\$ 12,626,034	\$ (10,106,050)	\$ (975,626)	\$ 38,542,114
SPECIAL REVENUE FUNDS					
500 Library Contribution	\$ 22,144	\$ 6,502	\$ (1,137)	\$ -	\$ 27,509
504 Rescue Recovery	22,271	3,402	(5,960)	-	19,713
505 Cemetery	41,547	50,208	(21,120)	-	70,635
507 PEG Fees	461,603	19,684	-	-	481,287
510 Firemen's Relief	33	-	(292)	292	33
511 Fire Donation	-	5,000	-	-	5,000
518 Booker T Washington	2,263	-	-	-	2,263
520 Police Escrow	21,571	1,139	(39,622)	-	(16,912)
525 Animal Shelter Donation	22,259	2,050	(100)	-	24,209
541 Court Special Revenue	257,811	12,531	(33,002)	-	237,340
550 Police Donation	4,962	2,006	(623)	-	6,345
553 Police Shop with a Cop	22,449	19,496	(15,267)	-	26,678
570 Civic Center	(203,499)	479,534	(485,741)	(4,258)	(213,964)
595 Law Enforcement Education	9,090	6,945	(4,859)	-	11,176
596 Tobacco Enforcement	24,223	4,250	-	-	28,473
	\$ 708,727	\$ 612,747	\$ (607,723)	\$ (3,966)	\$ 709,785
GRANT FUNDS					
402 CDBG Light / Sidewalk Grant	\$ (112,314)	\$ -	\$ -	\$ -	\$ (112,314)
408 Library Grants	20,350	16,750	(16,170)	-	20,930
411 STEP Comprehensive	1,074	-	-	-	1,074
413 Police Seizure Proceeds	3,411	24,733	(22,404)	-	5,740
437 TXDOT Ramp Grant	89,740	8,010	(80,785)	-	16,965
467 AG Investigator Grant	99	-	-	-	99
	\$ 2,360	\$ 49,493	\$ (119,359)	\$ -	\$ (67,506)
CAPITAL PROJECT FUNDS					
605 Water Construction	\$ (13,107,028)	\$ 196,956	\$ (7,293,172)	\$ -	\$ (20,203,244)
606 Logic 2024 General Bond	7,430,880	571,165	(158,795)	-	7,843,250
607 Logic 2024 Utility Bond	(5,105,850)	408,031	(91,607)	-	(4,789,426)
610 Water Development Board	3,172,686	-	-	-	3,172,686
680 Community Center	98,526	1,439	-	-	99,965
681 Construction Bond 2017	45,630	-	-	-	45,630
	\$ (7,465,156)	\$ 1,177,591	\$ (7,543,574)	\$ -	\$ (13,831,139)
INTERNAL SERVICE FUNDS					
800 General Long-Term Debt	\$ (1,564,126)	\$ -	\$ -	\$ -	\$ (1,564,126)
900 Fixed Assets	8,411,342	-	-	-	8,411,342
	\$ 6,847,216	\$ -	\$ -	\$ -	\$ 6,847,216
DEBT SERVICE FUND					
851 Debt Service	\$ 369,013	\$ 1,395,504	\$ (794,413)	\$ -	\$ 970,104
	\$ 369,013	\$ 1,395,504	\$ (794,413)	\$ -	\$ 970,104
ECONOMIC DEVELOPMENT FUNDS					
750 Economic Development	\$ 11,051,187	\$ 1,628,401	\$ (760,999)	\$ (3,033)	\$ 11,915,556
755 Rural Development Loan	252,013	4,902	-	-	256,915
855 Economic Development Debt	511,993	-	-	-	511,993
	\$ 11,815,193	\$ 1,633,303	\$ (760,999)	\$ (3,033)	\$ 12,684,464
TOTAL ALL FUNDS	\$ 53,592,753	\$ 29,171,832	\$ (29,631,921)	\$ -	\$ 53,132,664



City of Mount Pleasant
Budget Amendments Summary
 For the Period End April 2026

FUND TYPE	FUND	DETAILS	APPROVAL
GENERAL FUNDS			
1/30/2026	100 - General	Transfer allocations from Library Data Processing to Library Contractual to cover increased service cost.	Approved by City Manager
2/17/2026	100 - General	Increase allocations for \$129,900 from Prior Year auction proceeds for the purchase of a new backhoe.	Approved by City Council
3/17/2026	100 - General	Increase allocations for \$3,547 using Fund Balance carryover for Finance Director Recruitment.	Ord. 2026-7 Approved by City Council
3/17/2026	100 - General	Increase allocations for \$35,000 using savings from vacant Finance Director position and Fund Balance Carryover.	Ord. 2026-8 Approved by City Council
3/17/2026	100 - General	Increase allocations for \$570 for a scholarship awarded to attend the Public Library Association 2026 Conference using grant savings from Special Revenue Fund (408 Library Grants).	Ord. 2026-10 Approved by City Council
PROPRIETARY FUNDS			
3/17/2026	300 - Utilities	Increase allocations for \$3,547 using Fund Balance carryover for Finance Director Recruitment.	Ord. 2026-7 Approved by City Council
3/17/2026	300 - Utilities	Increase allocations for \$35,000 using savings from vacant FT Finance Director positions and Fund Balance Carryover.	Ord. 2026-8 Approved by City Council
SPECIAL REVENUE FUNDS			
12/16/2025	520 - Police Escrow	Increase allocations for \$35,296 for Default Judgements from Titus Co District Court.	Approved by City Council
3/17/2026	570 - Civic Center	Increase allocations for \$10,000 to increase allocations to the Civic Center using Façade Grant reclassifying to current year.	Ord. 2026-9 Approved by City Council
GRANT FUNDS			
11/18/2025	408 - Library Grants	Increase allocations for \$16,000 grant received from Ladd and Katherine Hancher Library Foundation.	Approved by City Council
12/2/2025	408 - Library Grants	Increase allocations for \$500 grant received from Flight Path Campaign Grant.	Approved by City Council
12/16/2025	408 - Library Grants	Increase allocations for \$10,000 grant received from Infinite Summs Grant.	Approved by City Council
12/16/2025	408 - Library Grants	Increase allocations for \$20,000 grant received in the prior year.	Approved by City Council
12/16/2025	413 - Police Forfeitures	Increase allocations for \$24,707 for Default Judgements from Titus Co District Court.	Approved by City Council
CAPITAL PROJECT FUNDS			
No Amendments			
INTERNAL SERVICE FUNDS			
No Amendments			
DEBT SERVICE FUND			
No Amendments			
ECONOMIC DEVELOPMENT FUNDS			
No Amendments			



AGENDA ITEM REPORT

Meeting: City Council - May 19 2026

Staff Contact: Candias Webster, City Secretary

Department: Administration

Subject: Discuss and consider adopting Federal Procurement policies related to the City's Federal grant awards.

Item Summary:

This is a resolution and Exhibit A with the procurement policies. These policies are verbatim from the Code of Federal Regulations 2 CFR 200.318-327, which governs all federal grants programs (FEMA, HUD, etc.). FEMA/TDEM will require a copy of them to reimburse the city's expenses for the generator grants.

Recommendation(s):

Motion to approve Resolution 2026-13 adopting a Federal Procurement Policy

Attachments:

[Resolution 2026-13 Procurement Policies for Federal Grants](#)

RESOLUTION 2026-13

A RESOLUTION OF THE CITY OF MOUNT PLEASANT, TEXAS, ADOPTING PROCUREMENT POLICIES AND PROCEDURES FOR FEDERAL GRANT CONTRACTS; PROVIDING SEVERABILITY; PROVIDING PUBLICATION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Mount Pleasant needs to adopt formal policies and procedures for the application and receipt of grant funds; and

WHEREAS, the updated Procurement Policies and Procedures for Federal Grant Contracts will establish the framework for operating practices and procedures to execute grant programs and projects; and

WHEREAS, the City Council deems it is in the public's best interest to continue to be eligible for grants through program compliance and to formally approve and adopt the Procurement Policies and Procedures for Federal Grant Contracts.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MOUNT PLEASANT, TEXAS, THAT:

SECTION 1. The foregoing recitals are incorporated into this Resolution by reference as findings of fact as if expressly set forth herein.

SECTION 2. The Procurement Policies and Procedures for Federal Grant Contracts of the City of Mount Pleasant is attached hereto as "Exhibit A" and is hereby adopted as the formal policy of the City.

SECTION 3. Should any section, paragraph, sentence, clause, phrase or word of this Resolution be declared unconstitutional or invalid for any purpose, the remainder of this Resolution shall not be affected thereby.

SECTION 4. This Resolution shall take effect immediately upon its passage and publication.

SECTION 5. It is found and determined that the meeting at which this Resolution was passed was open to the public as required by law.

PASSED, APPROVED, and ADOPTED by the City Council of the City of Mount Pleasant, Texas, on this the 19th day of May 2026.

Wesley R. Lyon, II, Mayor

ATTEST:

Candias Webster, City Secretary

PROCUREMENT POLICY APPLICABLE TO ALL PROCUREMENTS MADE WITH FEDERAL FUNDS

ADOPTED: May 19, 2026

THE CITY WILL USE DOCUMENTED PROCUREMENT PROCEDURES IN ACCORDANCE WITH ALL APPLICABLE FEDERAL, STATE, AND LOCAL GOVERNMENT STATUTES AND REGULATIONS, INCLUDING THE UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS, PER 2 CFR 200.318 THROUGH 2 CFR 200.327.

PROCUREMENT STANDARDS FOR FEDERAL GRANT AWARDS

§ 200.318 General procurement standards.

- (a) *Documented procurement procedures.* The city must maintain and use documented procedures for procurement transactions under a Federal award or subaward, including for acquisition of property or services. These documented procurement procedures must be consistent with State, local, and tribal laws and regulations and the standards identified in §§ 200.317 through 200.327.
- (b) *Oversight of contractors.* Recipients and subrecipients must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. See also § 200.501(h).
- (c) *Conflicts of interest.*
 - 1. The city must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award, and administration of contracts. No employee, officer, agent, or board member with a real or apparent conflict of interest may participate in the selection, award, or administration of a contract supported by the Federal award. A conflict of interest includes when the employee, officer, agent, or board member, any member of their immediate family, their partner, or an organization that employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from an entity considered for a contract. An employee, officer, agent, and board member of the city may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors.
However, the city may set standards for situations where the financial interest is not substantial or a gift is an unsolicited item of nominal value. The recipient's or subrecipient's standards of conduct must also provide for disciplinary actions to be applied for violations by its employees, officers, agents, or board members.
 - 2. If the city has a parent, affiliate, or subsidiary organization that is not a State, local government, or Indian Tribe, the city must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest mean that because of relationships with a parent company, affiliate, or subsidiary organization, the city is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization.
- (d) *Avoidance of unnecessary or duplicative items.* The recipient's or subrecipient's procedures must avoid the acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. When appropriate, an analysis should be made between leasing and purchasing property or equipment to determine the most economical approach.
- (e) *Procurement arrangements using strategic sourcing.* When appropriate for the procurement or use of common or shared goods and services, recipients and subrecipients are encouraged to enter into State and local intergovernmental agreements or inter-entity agreements for procurement transactions. These or similar procurement arrangements using strategic sourcing may foster greater economy and efficiency. Documented procurement actions of this type (using strategic sourcing, shared services, and other similar procurement arrangements) will meet the competition requirements of this part.
- (f) *Use of excess and surplus Federal property.* The city is encouraged to use excess and surplus Federal property instead of purchasing new equipment and property when it is feasible and reduces project costs.
- (g) *Use of value engineering clauses.* When practical, the city is encouraged to use value engineering clauses in

contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering means analyzing each contract item or task to ensure its essential function is provided at the overall lowest cost.

- (h) *Responsible contractors.* The city must award contracts only to responsible contractors that possess the ability to perform successfully under the terms and conditions of a proposed contract. The city must consider contractor integrity, public policy compliance, proper classification of employees (see the Fair Labor Standards Act, 29 U.S.C. 201, chapter 8), past performance record, and financial and technical resources when conducting a procurement transaction. See also § 200.214.
- (i) *Procurement records.* The city must maintain records sufficient to detail the history of each procurement transaction. These records must include the rationale for the procurement method, contract type selection, contractor selection or rejection, and the basis for the contract price.
- (j) *Time-and-materials type contracts.*
 - 1. The city may use a time-and-materials type contract only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk. Time-and-materials type contract means a contract whose cost to a city is the sum of:
 - i. The actual cost of materials; and
 - ii. Direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.
 - 2. Because this formula generates an open-ended contract price, a time-and-materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, each contract must set a ceiling price that the contractor exceeds at its own risk. Further, the city awarding such a contract must assert a high degree of oversight to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.
- (k) *Settlement of contractual and administrative issues.* The city is responsible for the settlement of all contractual and administrative issues arising out of its procurement transactions. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve the city of any contractual responsibilities under its contracts. The Federal agency will not substitute its judgment for that of the city unless the matter is primarily a Federal concern. The city must report violations of law to the Federal, State, or local authority with proper jurisdiction.
- (l) *Examples of labor and employment practices.*
 - 1. The procurement standards in this subpart do not prohibit recipients or subrecipients from:
 - i. Using Project Labor Agreements (PLAs) or similar forms of pre-hire collective bargaining agreements;
 - ii. Requiring construction contractors to use hiring preferences or goals for people residing in high-poverty areas, disadvantaged communities as defined by the Justice40 Initiative (see OMB Memorandum M-21-28), or high-unemployment census tracts within a region no smaller than the county where a federally funded construction project is located. The hiring preferences or goals should be consistent with the policies and procedures of the city, and must not prohibit interstate hiring;
 - iii. Requiring a contractor to use hiring preferences or goals for individuals with barriers to employment (as defined in section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102(24)), including women and people from underserved communities as defined by Executive Order 14091;
 - iv. Using agreements intended to ensure uninterrupted delivery of services; using agreements intended to ensure community benefits; or
 - v. Offering employees of a predecessor contractor rights of first refusal under a new contract.
 - 2. Recipients and subrecipients may use the practices listed in paragraph (1) if consistent with the U.S. Constitution, applicable Federal statutes and regulations, the objectives and purposes of the applicable Federal financial assistance program, and other requirements of this part.

§ 200.319 Competition.

- (a) All procurement transactions under the Federal award must be conducted in a manner that provides full and open competition and is consistent with the standards of this section and § 200.320.
- (b) To ensure objective contractor performance and eliminate unfair competitive advantage, contractors that

develop or draft specifications, requirements, statements of work, or invitations for bids must be excluded from competing on those procurements.

- (c) Examples of situations that may restrict competition include, but are not limited to:
 - 1. Placing unreasonable requirements on firms for them to qualify to do business;
 - 2. Requiring unnecessary experience and excessive bonding;
 - 3. Noncompetitive pricing practices between firms or between affiliated companies;
 - 4. Noncompetitive contracts to consultants that are on retainer contracts;
 - 5. Organizational conflicts of interest;
 - 6. Specifying only a “brand name” product instead of allowing “an equal” product to be offered and describing the performance or other relevant requirements of the procurement; and
 - 7. Any arbitrary action in the procurement process.
- (d) The city must have written procedures for procurement transactions. These procedures must ensure that all solicitations:
 - 1. Are made in accordance with § 200.319(b);
 - 2. Incorporate a clear and accurate description of the technical requirements for the property, equipment, or service being procured. The description may include a statement of the qualitative nature of the property, equipment, or service to be procured. When necessary, the description must provide minimum essential characteristics and standards to which the property, equipment, or service must conform. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to clearly and accurately describe the technical requirements, a “brand name or equivalent” description of features may be used to provide procurement requirements. The specific features of the named brand must be clearly stated; and
 - 3. Identify any additional requirements which the offerors must fulfill and all other factors that will be used in evaluating bids or proposals.
- (e) The city must ensure that all prequalified lists of persons, firms, or products used in procurement transactions are current and include enough qualified sources to ensure maximum open competition. When establishing or amending prequalified lists, the city must consider objective factors that evaluate price and cost to maximize competition. The city must not preclude potential bidders from qualifying during the solicitation period.
- (f) To the extent consistent with established practices and legal requirements applicable to the city, this subpart does not prohibit recipients or subrecipients from developing written procedures for procurement transactions that incorporate a scoring mechanism that rewards bidders that commit to specific numbers and types of U.S. jobs, minimum compensation, benefits, on-the-job-training for employees making work products or providing services on a contract, and other worker protections. This subpart also does not prohibit recipients and subrecipients from making inquiries of bidders about these subjects and assessing the responses. Any scoring mechanism must be consistent with the U.S. Constitution, applicable Federal statutes and regulations, and the terms and conditions of the Federal award.
- (g) Noncompetitive procurements can only be awarded in accordance with § 200.320(c).

§ 200.320 Procurement methods.

There are three types of procurement methods described in this section: informal procurement methods (for micro-purchases and simplified acquisitions); formal procurement methods (through sealed bids or proposals); and noncompetitive procurement methods. For any of these methods, the city must maintain and use documented procurement procedures, consistent with the standards of this section and §§ 200.317, 200.318, and 200.319.

- (a) *Informal procurement methods for small purchases.* These procurement methods expedite the completion of transactions, minimize administrative burdens, and reduce costs. Informal procurement methods may be used when the value of the procurement transaction under the Federal award does not exceed the simplified acquisition threshold as defined in § 200.1. Recipients and subrecipients may also establish a lower threshold. Informal procurement methods include:
 - 1. *Micro-purchases* —
 - i. *Distribution.* The aggregate amount of the procurement transaction does not exceed the micro-purchase threshold defined in § 200.1. To the extent practicable, the city should distribute micro-

purchases equitably among qualified suppliers.

- ii. *Micro-purchase awards.* Micro-purchases may be awarded without soliciting competitive price or rate quotations if the city considers the price reasonable based on research, experience, purchase history, or other information; and maintains documents to support its conclusion. Purchase cards may be used as a method of payment for micro-purchases.
- iii. *Micro-purchase thresholds.* The city is responsible for determining and documenting an appropriate micro-purchase threshold based on internal controls, an evaluation of risk, and its documented procurement procedures. The micro-purchase threshold used by the city must be authorized or not prohibited under State, local, or tribal laws or regulations. The city may establish a threshold higher than the Federal threshold established in the Federal Acquisition Regulations (FAR) in accordance with paragraphs (a)(1)(iv) and (v) of this section.
- iv. *City increase to the micro-purchase threshold up to \$50,000.* The city may establish a threshold higher than the micro-purchase threshold identified in the FAR in accordance with the requirements of this section. The city may self-certify a threshold up to \$50,000 on an annual basis and must maintain documentation to be made available to the Federal agency or pass-through entity and auditors in accordance with § 200.334. The self-certification must include a justification, clear identification of the threshold, and supporting documentation of any of the following:
 - A. A qualification as a low-risk auditee, in accordance with the criteria in § 200.520 for the most recent audit;
 - B. An annual internal institutional risk assessment to identify, mitigate, and manage financial risks; or,
 - C. For public institutions, a higher threshold is consistent with State law.
- v. *City increase to the micro-purchase threshold over \$50,000.* Micro-purchase thresholds higher than \$50,000 must be approved by the cognizant agency for indirect costs. The city must submit a request that includes the requirements in paragraph (a)(1)(iv) of this section. The increased threshold is valid until any factor that was relied on in the establishment and rationale of the threshold changes.

2. *Simplified acquisitions* —

- i. *Simplified acquisition procedures.* The aggregate dollar amount of the procurement transaction is higher than the micro-purchase threshold but does not exceed the simplified acquisition threshold. If simplified acquisition procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources. Unless specified by the Federal agency, the city may exercise judgment in determining what number is adequate.
- ii. *Simplified acquisition thresholds.* The city is responsible for determining an appropriate simplified acquisition threshold based on internal controls, an evaluation of risk, and its documented procurement procedures, which may be lower than, but must not exceed, the threshold established in the FAR.

(b) *Formal procurement methods.* Formal procurement methods are required when the value of the procurement transaction under a Federal award exceeds the simplified acquisition threshold of the city. Formal procurement methods are competitive and require public notice. The following formal methods of procurement are used for procurement transactions above the simplified acquisition threshold determined by the city in accordance with paragraph (a)(2)(ii) of this section:

1. *Sealed bids.* This is a procurement method in which bids are publicly solicited through an invitation and a firm fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid conforms with all the material terms and conditions of the invitation and is the lowest in price. The sealed bids procurement method is preferred for procuring construction services.
 - i. For sealed bidding to be feasible, the following conditions should be present:
 - A. A complete, adequate, and realistic specification or purchase description is available;
 - B. Two or more responsible bidders have been identified as willing and able to compete effectively for the business; and
 - C. The procurement lends itself to a firm-fixed-price contract, and the selection of the successful bidder can be made principally based on price.
 - ii. If sealed bids are used, the following requirements apply:

- A. Bids must be solicited from an adequate number of qualified sources, providing them with sufficient response time prior to the date set for opening the bids. Unless specified by the Federal agency, the city may exercise judgment in determining what number is adequate. For local governments, the invitation for bids must be publicly advertised.
 - B. The invitation for bids must define the items or services with specific information, including any required specifications, for the bidder to properly respond;
 - C. All bids will be opened at the time and place prescribed in the invitation for bids. For local governments, the bids must be opened publicly.
 - D. A firm-fixed-price contract is awarded in writing to the lowest responsive bid and responsible bidder. When specified in the invitation for bids, factors such as discounts, transportation cost, and life-cycle costs must be considered in determining which bid is the lowest. Payment discounts must only be used to determine the low bid when the city determines they are a valid factor based on prior experience.
 - E. The city must document and provide a justification for all bids it rejects.
2. *Proposals*. This is a procurement method used when conditions are not appropriate for using sealed bids. This procurement method may result in either a fixed-price or cost-reimbursement contract. They are awarded in accordance with the following requirements:
- i. Requests for proposals require public notice, and all evaluation factors and their relative importance must be identified. Proposals must be solicited from multiple qualified entities. To the maximum extent practicable, any proposals submitted in response to the public notice must be considered.
 - ii. The city must have written procedures for conducting technical evaluations and making selections.
 - iii. Contracts must be awarded to the responsible offeror whose proposal is most advantageous to the city considering price and other factors; and
 - iv. The city may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby the offeror's qualifications are evaluated, and the most qualified offeror is selected, subject to negotiation of fair and reasonable compensation. The method, where the price is not used as a selection factor, can only be used to procure architectural/engineering (A/E) professional services. The method may not be used to purchase other services provided by A/E firms that are a potential source to perform the proposed effort.
- (c) *Noncompetitive procurement*. There are specific circumstances in which the city may use a noncompetitive procurement method. The noncompetitive procurement method may only be used if one of the following circumstances applies:
- 1. The aggregate amount of the procurement transaction does not exceed the micro-purchase threshold (see paragraph (a)(1) of this section);
 - 2. The procurement transaction can only be fulfilled by a single source;
 - 3. The public exigency or emergency for the requirement will not permit a delay resulting from providing public notice of a competitive solicitation;
 - 4. The city requests in writing to use a noncompetitive procurement method, and the Federal agency or pass-through entity provides written approval;
 - 5. Only one satisfactory proposal is received through RFP or RFQ or;
 - 6. After soliciting several sources, competition is determined inadequate.

§ 200.321 Contracting with small businesses, minority businesses, women's business enterprises, veteran-owned businesses, and labor surplus area firms.

- A. When possible, the city should ensure that small businesses, minority businesses, women's business enterprises, veteran-owned businesses, and labor surplus area firms (See U.S. Department of Labor's list) are considered as set forth below.
- B. Such consideration means:
 - 1. These business types are included on solicitation lists;
 - 2. These business types are solicited whenever they are deemed eligible as potential sources;
 - 3. Dividing procurement transactions into separate procurements to permit maximum participation by these

- business types;
- 4. Establishing delivery schedules (for example, the percentage of an order to be delivered by a given date of each month) that encourage participation by these business types;
- 5. Utilizing organizations such as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
- 6. Requiring a contractor under a Federal award to apply this section to subcontracts wherever possible.

§ 200.322 Domestic preferences for procurements.

- (a) The city should, to the greatest extent practicable and consistent with law, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subawards, contracts, and purchase orders under Federal awards.
- (b) For purposes of this section:
 - 1. “Produced in the United States” means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.
 - 2. “Manufactured products” means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.
- (c) Federal agencies providing Federal financial assistance for infrastructure projects must implement the Buy America preferences set forth in 2 CFR part 184.

§ 200.323 Procurement of recovered materials.

- (a) A city that is a State agency or agency of a political subdivision of a State and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976 as amended, 42 U.S.C. 6962. The requirements of Section 6002 include procuring only items designated in the guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.
- (b) The city should, to the greatest extent practicable and consistent with law, purchase, acquire, or use products and services that can be reused, refurbished, or recycled; contain recycled content, are biobased, or are energy and water efficient; and are sustainable. This may include purchasing compostable items and other products and services that reduce the use of single-use plastic products.
See Executive Order 14057, section 101, Policy.

§ 200.324 Contract cost and price.

- (a) The Federal agency or pass-through entity may review the technical specifications of proposed procurements under the Federal award if the Federal agency or pass-through entity believes the review is needed to ensure that the item or service specified is the one being proposed for acquisition. The city must submit the technical specifications of proposed procurements when requested by the Federal agency or pass-through entity. This review should take place prior to the time the specifications are incorporated into a solicitation document. When the city desires to accomplish the review after a solicitation has been developed, the Federal agency or pass-through entity may still review the specifications. In those cases, the review should be limited to the technical aspects of the proposed purchase.
- (b) When requested, the city must provide procurement documents (such as requests for proposals, invitations for bids, or independent cost estimates) to the Federal agency or pass-through entity for pre- procurement review. The Federal agency or pass-through entity may conduct a pre- procurement review when:
 - 1. The recipient's or subrecipient's procurement procedures or operation fails to comply with the procurement

- standards in this part;
2. The procurement is expected to exceed the simplified acquisition threshold and is to be awarded without competition, or only one bid is expected to be received in response to a solicitation;
 3. The procurement is expected to exceed the simplified acquisition threshold and specifies a “brand name” product;
 4. The procurement is expected to exceed the simplified acquisition threshold, and a sealed bid procurement is to be awarded to an entity other than the apparent low bidder; or
 5. A proposed contract modification changes the scope of a contract or increases the contract amount by more than the simplified acquisition threshold.
- (c) The city is exempt from the pre-procurement review in paragraph (b) of this section if the Federal agency or pass-through entity determines that its procurement systems comply with the standards of this part.
1. The city may request that the Federal agency or pass-through entity review its procurement system to determine whether it meets these standards for its system to be certified. Generally, these reviews must occur where there is continuous high-dollar funding and third-party contracts are awarded regularly.
 2. The city may self-certify its procurement system. However, self-certification does not limit the Federal agency's or pass-through entity's right to review the system. Under a self-certification procedure, the Federal agency or pass-through entity may rely on written assurances from the city that it is complying with the standards of this part. The city must cite specific policies, procedures, regulations, or standards as complying with these requirements and have its system available for review.

§ 200.325 Federal agency or pass-through entity review.

- (a) The Federal agency or pass-through entity may review the technical specifications of proposed procurements under the Federal award if the Federal agency or pass-through entity believes the review is needed to ensure that the item or service specified is the one being proposed for acquisition. The city must submit the technical specifications of proposed procurements when requested by the Federal agency or pass-through entity. This review should take place prior to the time the specifications are incorporated into a solicitation document. When the city desires to accomplish the review after a solicitation has been developed, the Federal agency or pass-through entity may still review the specifications. In those cases, the review should be limited to the technical aspects of the proposed purchase.
- (b) When requested, the city must provide procurement documents (such as requests for proposals, invitations for bids, or independent cost estimates) to the Federal agency or pass-through entity for pre-procurement review. The Federal agency or pass-through entity may conduct a pre-procurement review when:
1. The recipient's or subrecipient's procurement procedures or operation fails to comply with the procurement standards in this part;
 2. The procurement is expected to exceed the simplified acquisition threshold and is to be awarded without competition, or only one bid is expected to be received in response to a solicitation;
 3. The procurement is expected to exceed the simplified acquisition threshold and specifies a “brand name” product;
 4. The procurement is expected to exceed the simplified acquisition threshold, and a sealed bid procurement is to be awarded to an entity other than the apparent low bidder; or
 5. A proposed contract modification changes the scope of a contract or increases the contract amount by more than the simplified acquisition threshold.
- (c) The city is exempt from the pre-procurement review in paragraph (b) of this section if the Federal agency or pass-through entity determines that its procurement systems comply with the standards of this part.
1. The city may request that the Federal agency or pass-through entity review its procurement system to determine whether it meets these standards for its system to be certified. Generally, these reviews must occur where there is continuous high-dollar funding and third-party contracts are awarded regularly.
 2. The city may self-certify its procurement system. However, self-certification does not limit the Federal agency's or pass-through entity's right to review the system. Under a self-certification procedure, the Federal agency or pass-through entity may rely on written assurances from the city that it is complying with the standards of this part. The city must cite specific policies, procedures, regulations, or standards as complying with these requirements and have its system available for review.

§ 200.326 Bonding requirements.

The Federal agency or pass-through entity may accept the recipient's or subrecipient's bonding policy and requirements for construction or facility improvement contracts or subcontracts exceeding the simplified acquisition threshold. Before doing so, the Federal agency or pass-through entity must determine that the Federal interest is adequately protected. If such a determination has not been made, the minimum requirements must be as follows:

- (a) A bid guarantee from each bidder equivalent to five percent of the bid price. The bid guarantee must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute any required contractual documents within the specified timeframe.
- (b) A performance bond on the contractor's part for 100 percent of the contract price. A performance bond is a bond executed in connection with a contract to secure the fulfillment of all the contractor's requirements under a contract.
- (c) A payment bond on the contractor's part for 100 percent of the contract price. A payment bond is a bond executed in connection with a contract to assure payment as required by the law of all persons supplying labor and material in the execution of the work provided for under a contract.

§ 200.327 Contract provisions.

The recipient's or subrecipient's contracts must contain the applicable provisions described in Appendix II of this part.

Appendix II to Part 200—Contract Provisions for Non-Federal Entity Contracts Under Federal Awards

In addition to other provisions required by the Federal agency or non-Federal entity, all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following, as applicable.

- A. Contracts for more than the simplified acquisition threshold, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.
- B. All contracts in excess of \$10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be effected and the basis for settlement.
- C. Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of “federally assisted construction contract” in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 CFR part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.”
- D. Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland

- “Anti-Kickback” Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.
- E. Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). Where applicable, all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.
- F. Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of “funding agreement” under 37 CFR § 401.2 (a) and the city wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the city must comply with the requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.
- G. Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended—Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).
- H. Debarment and Suspension (Executive Orders 12549 and 12689)—A contract award (see 2 CFR 180.220) must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.
- I. Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)—Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.
- J. See § 200.323.
- K. See § 200.216.

- a) Recipients and subrecipients are prohibited from obligating or expending loan or grant funds to:
 - 1. Procure or obtain covered telecommunications equipment or services;
 - 2. Extend or renew a contract to procure or obtain covered telecommunications equipment or services; or
 - 3. Enter into a contract (or extend or renew a contract) to procure or obtain covered telecommunications equipment or services.
 - b) As described in section 889 of Public Law 115-232, “covered telecommunications equipment or services” means any of the following:
 - 1. Telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities);
 - 2. For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities);
 - 3. Telecommunications or video surveillance services provided by such entities or using such equipment;
 - 4. Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country;
 - c) For the purposes of this section, “covered telecommunications equipment or services” also include systems that use covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system.
 - d) In implementing the prohibition under section 889 of Public Law 115-232, heads of executive agencies administering loan, grant, or subsidy programs must prioritize available funding and technical support to assist affected businesses, institutions, and organizations as is reasonably necessary for those affected entities to transition from covered telecommunications equipment or services, to procure replacement equipment or services, and to ensure that communications service to users and customers is sustained.
 - e) When the city accepts a loan or grant, it is certifying that it will comply with the prohibition on covered telecommunications equipment and services in this section. The city is not required to certify that funds will not be expended on covered telecommunications equipment or services beyond the certification provided upon accepting the loan or grant and those provided upon submitting payment requests and financial reports.
 - f) For additional information, see section 889 of Public Law 115-232 and § 200.471.
- L. See § 200.322.



AGENDA ITEM REPORT

Meeting: City Council - May 19 2026

Staff Contact: Erin Marshall, Utilities Director

Department: Utilities

Subject: Discuss and consider Change Order #4 from KSA and Drake General Contractors. LLC for work performed at the Wastewater Treatment Plant.

Item Summary:

Time Extension - Add 60 days to the contract at no cost to Owner

Time Extension - Add 150 days to the contract at no cost to Owner for weather-related and site conditions encountered from October 2025 through April 2026 per CMR-024.1. Request includes additional time associated with procurement delays for equipment and materials supplied by Walker Process Equipment Pump Solutions, Inc., Veolia Water Technologies, and Saveco North America, Inc.

Financial Impact:

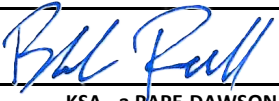

N/A

Recommendation(s):

Motion to approve change order #4

Attachments:

[MP160 CO No. 4 Partially Executed](#)

KSA ENGINEERS, INC. 140 E. Tyler St., Suite 600 Longview, TX 75601 CHANGE ORDER No. 4		Date	May 11, 2026
		KSA Project No.	MP.160
		Location	Mount Pleasant, Titus, TX
To (Contractor) Drake General Contractors, LLC 3737 Lamar Ave., Suite 700 Paris, TX 75460		Job Description	
		Southside Wastewater Treatment Plant Improvements	
		Original Contract Amount	\$40,549,300.00
		Previous Change Orders	\$815,357.85
		Current Contract Amount	\$41,364,657.85
You are hereby requested to comply with the following changes from the contract plans and specifications: n/a			
Item No. (1)	Description of changes – quantities, units, Unit price, change in completion schedule, etc. (2)	Decrease in Contract price (3)	Increase in Contract price (4)
CO 4.1	Time Extension - Add 60 days to Contract at no cost to Owner (30 days - Executed Field Work Order No. 11 and 30 days - Executed Field Work Order No. 12).	\$0.00	\$0.00
CO 4.2	Time Extension - Add 150 days to contract at no cost to Owner for weather related and site conditions encountered from October 2025 through April 2026 per CMR-024.1. Request includes additional time associated with procurement delays for equipment and materials supplied by Walker Process Equipment Pump Solutions, Inc., Veolia Water Technologies, and Saveco North America, Inc.	\$0.00	\$0.00
Change in contract price due to this Change Order:			
Total Decrease		\$0.00	
Total Increase			\$0.00
Difference between Columns (3) and (4)			\$0.00
The total contract price is unchanged, and the total contract price to date thereby is \$41,364,657.85 .			
The time provided for completion in the contract is increased by 210 additional calendar days added to the contract time for a total adjusted contract time of 1188 calendar days for substantial completion . This document shall become an amendment to the contract and all provisions of the contract will apply hereto.			
Recommended by (Engineer)	 KSA - a PAPE-DAWSON Company		05/11/2026 Date
Accepted by (Contractor)	 Drake General Contractors, LLC		05/11/2026 Date
Approved by (Owner)	City of Mount Pleasant		Date



AGENDA ITEM REPORT

Meeting: City Council - May 19 2026

Staff Contact: Lynn Barrett, Director of Development Services

Department: Planning

Subject: Hold a public hearing and consider Ordinance 2026-13 to approve a request from applicant Jyl Johnson Cano on behalf of owners Ivan and Juan Zambrano to rezone Mount Pleasant City Block 156, Lot 3 B, from General Retail (GR) to Multi-Family (MF) Zoning District, addressed as 206 East 9th Street. Z-2026-01

Item Summary:

The applicant, Ms. Cano, is requesting that an existing vacant two-family building she wishes to purchase be rezoned to Multi Family zoning, where one-and two-family dwelling units would be allowed uses by right, changed from the General Retail zoning district it is in currently. Multi Family zoning is located across 9th Street to the north of the lot. The property is adjacent to existing two-family construction along the south side of 9th Street to the west. The applicant is seeking to buy the structure from the Zambranos and to remodel the building for two-family rental. Because it is not an existing use, a rezoning is required to allow the building permit to be obtained for the remodeling.

The City's Zoning Code does not allow residential units other than apartments in General Retail. The Planning and Zoning Commission voted to recommend the zoning change at its May 12th meeting. Staff has had no response from the public notices sent out on this case.

Financial Impact:

There is no budgetary impact.

Recommendation(s):

Motion to approve Ordinance 2026-13 to rezone the property to Multi-Family and allow the residential uses.

Attachments:

[Ordinance 2026-13 Zoning Chnage 206 E 9th to GR to MF](#)
[Notification Map and pictures](#)

ORDINANCE 2026-13

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MOUNT PLEASANT, TEXAS, AMENDING THE CODE OF ORDINANCES CHAPTER 155 ZONING CODE OF THE CITY OF MOUNT PLEASANT, AS HERETOFORE AMENDED FROM GR (GENERAL RETAIL DISTRICT) TO MF MULTI FAMILY DISTRICT) ON A .0843 ACRE LOT AND MORE FULLY DESCRIBED HEREIN BY EXHIBIT 'A'; PROVIDING FOR SPECIAL CONDITIONS; PROVIDING FOR A PENALTY OF FINE NOT TO EXCEED THE SUM OF TWO HUNDRED DOLLARS (\$200.00) FOR EACH OFFENSE; PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING FOR A REPEALER CLAUSE; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS , the City has received a request from applicant Jyl Johnson Cano, on behalf of owners Ivan and Juan Zambrano for a zoning change from GR (General Retail) to MF (Multi Family) on a .0843-acre property in Mount Pleasant City Block 156 Lot, 3B addressed as 206 E 9th Street and being more fully described in Exhibit 'A' of this ordinance, which hereinafter shall be referred to as the Subject Property and incorporated by reference herein; and

WHEREAS, the Planning and Zoning Commission of the City of Mount Pleasant and the governing body of the City of Mount Pleasant in compliance with the laws of the State of Texas and the ordinances of the City of Mount Pleasant have given the requisite notices by publication and otherwise, and have held public hearings and afforded a full and fair hearing to all property owners generally and to all persons interested in and situated in the affected area, and in the vicinity thereof, and the governing body in the exercise of its legislative discretion, has concluded that the subject property's zoning should be amended as follows:

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MOUNT PLEASANT, TEXAS:

SECTION 1. That the Subject Property shall be used only in the manner and for the purposes authorized by the Mount Pleasant Code of Ordinances Chapter 155, Zoning Code, and the land uses specifically defined in Section 155.24 MF – Multi Family District, as heretofore amended, and as amended herein, by granting this zoning change, and as maybe amended in the future;

SECTION 2. That any person, firm, or corporation violating any of the provisions of this ordinance shall be deemed guilty of a misdemeanor and upon conviction shall be punished by a penalty of fine not to exceed the sum of *Two Hundred Dollars* (\$200.00) for each offense and each and every day such offense shall continue shall be deemed to constitute a separate offense;

SECTION 3. That if any section, paragraph, or provision of this ordinance or the application of that section, paragraph, or provision to any person, firm, corporation or situation is for any reason judged invalid, the adjudication shall not affect any other section, paragraph, or provision of this ordinance or the application of any other section, paragraph or provision to any other person, firm, corporation or situation, nor shall adjudication affect any other section, paragraph, or provision of the Code of Ordinances and the City Council declares that it would have adopted the valid portions and applications of the ordinance without the invalid parts and to this end the provisions for this ordinance are declared to be severable;

SECTION 4. That the official zoning map of the City be corrected to reflect the changes in zoning described herein.

SECTION 5. That all ordinances of the City of Mount Pleasant in conflict with the provisions of this ordinance be,

and the same hereby repealed to the extent of that conflict.

SECTION 6. That this ordinance shall take effect immediately from and after its passage and the publication of the caption of said ordinance as the law in such cases provides.

PASSED BY AN AFFIRMATIVE VOTE OF THE CITY COUNCIL, GOVERNING BODY OF THE CITY OF MOUNT PLEASANT, TEXAS, THIS 19TH DAY OF MAY 2026.

Wesley Lyon II, Mayor

ATTEST:

Candias Webster, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Lea Ream, City Attorney

EXHIBIT A ORDINANCE 2026-13

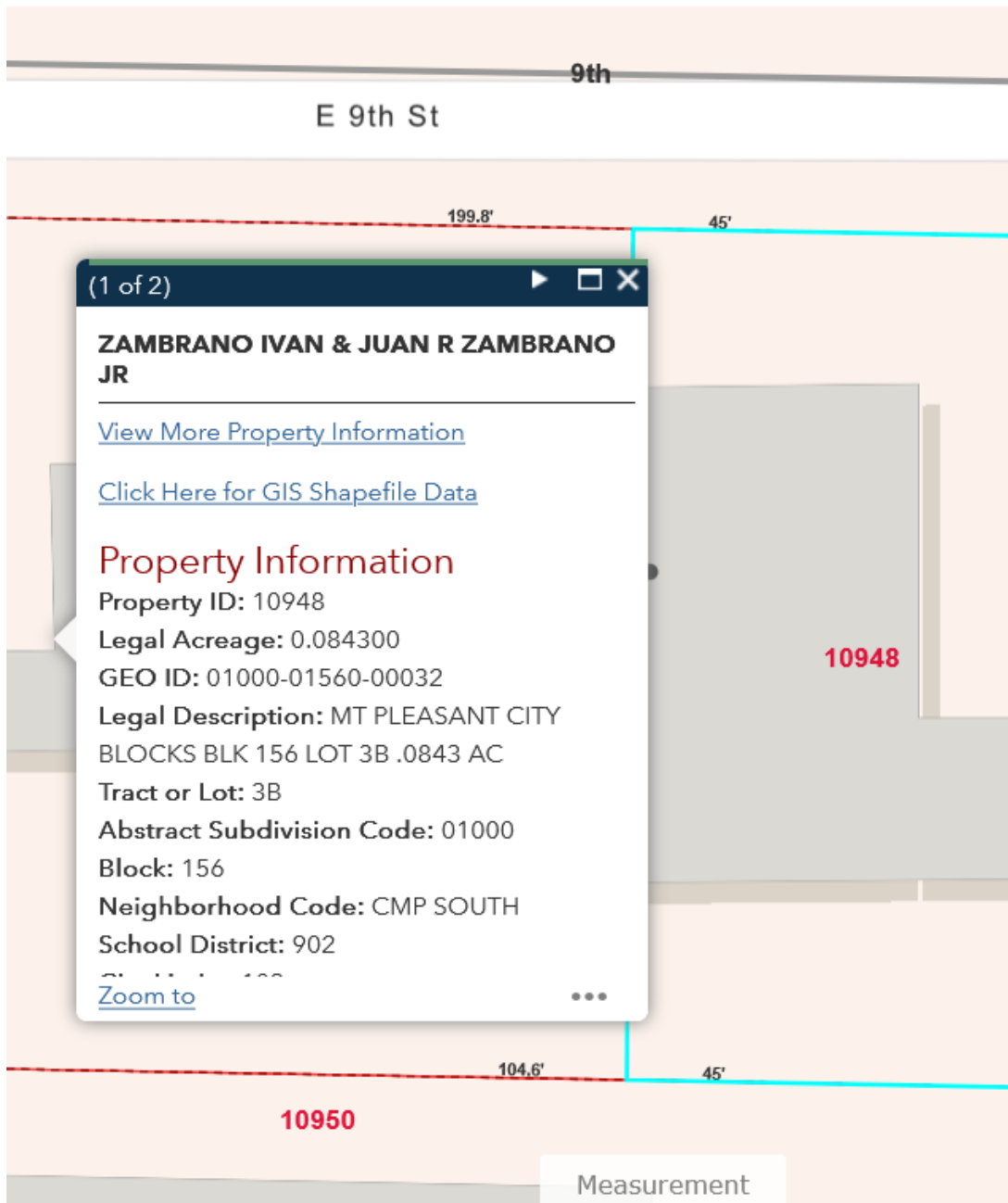
Property Information **Property ID:** 10948

Legal Acreage: .0843

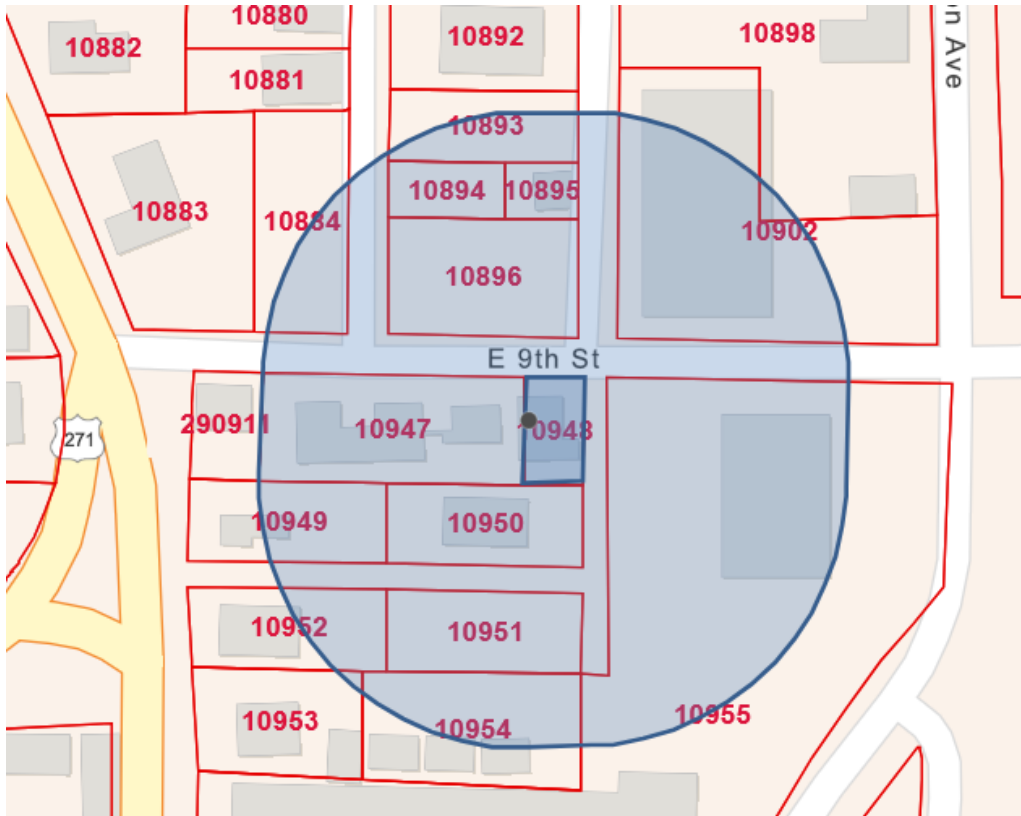
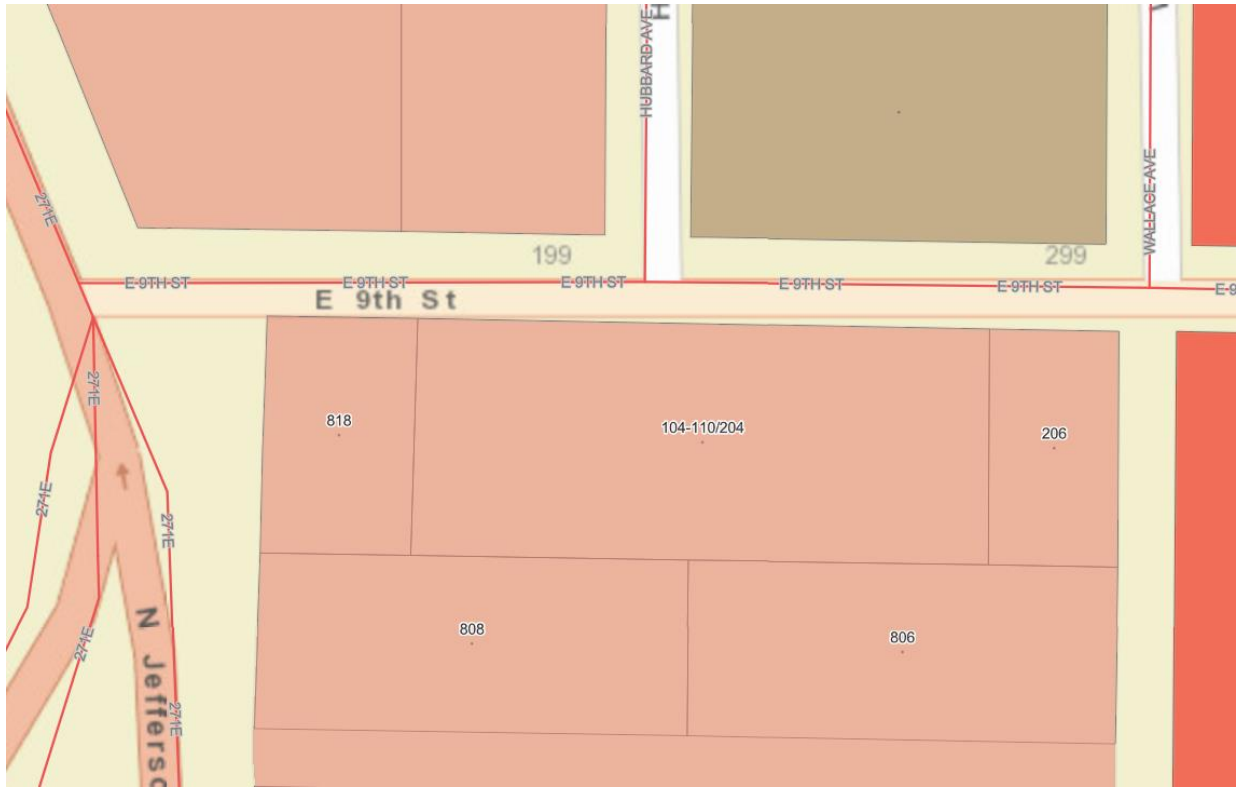
GEO ID: 01000-01560-00032

Legal Description: MT PLEASANT CITY BLOCKS BLK 156 LOT 3B .0843 AC

Tract or Lot: 3 B









AGENDA ITEM REPORT

Meeting: City Council - May 19 2026

Staff Contact: Lynn Barrett, Director of Development Services

Department: Planning

Subject: Hold a public hearing and consider Ordinance 2026-14 to approve a request from owner Jose De la Rosa to rezone Mount Pleasant City Block 124, Lot 1C, from Single Family (SF2) to General Retail (GR) Zoning District, Property ID: 10774, located to the north across the alley from his property at 107 N Miller Avenue. Z-2026-02

Item Summary:

The applicant, Mr. De La Rosa, is requesting a vacant lot he owns adjacent to his business (zoned General Retail) be rezoned to match his existing Auto Repair business so he can use it as an overflow parking area. The property had been used for this purpose for some time, first when owned by SWEPCPO and then later when purchased by the applicant. In order to be compliant with existing land use codes, however, it needs to be rezoned for non-residential use. Mr. De La Rosa has agreed to pave the parking area, per city code and erect screening fencing to buffer next to the adjacent homes on the side and rear of the property.

The Planning and Zoning Commission voted to recommend the zoning change at its May 12th meeting. Staff has had no response from the public notices sent out on this case.

Financial Impact:

There is no budgetary impact.

Recommendation(s):

Motion to approve the Z-2026-02 to rezone the property General Retail and allow the parking lot with the required paving and screening.

Attachments:

[Ordinance 2026-14 Zoning Change GR Z-2026-2](#)

ORDINANCE 2026-14

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MOUNT PLEASANT, TEXAS, AMENDING THE CODE OF ORDINANCES CHAPTER 155 ZONING CODE OF THE CITY OF MOUNT PLEASANT, AS HERETOFORE AMENDED FROM SF2 (SINGLE FAMILY 2 DISTRICT) TO GR (GENERAL RETAIL DISTRICT) ON A .1445 LOT AND MORE FULLY DESCRIBED HEREIN BY EXHIBIT 'A'; PROVIDING FOR SPECIAL CONDITIONS; PROVIDING FOR A PENALTY OF FINE NOT TO EXCEED THE SUM OF TWO HUNDRED DOLLARS (\$200.00) FOR EACH OFFENSE; PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING FOR A REPEALER CLAUSE; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS , the City has received a request from Jose De La Rosa, applicant/owner for a zoning change from SF-2 (Single Family 2)) to GR (General Retail) on a 0.1445-acre vacant and unaddressed Lot, 1 C in Mount Pleasant City Block 124, as recorded in File No. 20243092, Public Records, Titus County, Texas and generally located on the west side of Miller Avenue and north of the alley adjacent to 107 Miller Avenue and being more fully described in Exhibit 'A' of this ordinance, which hereinafter shall be referred to as the Subject Property and incorporated by reference herein; and

WHEREAS, the Planning and Zoning Commission of the City of Mount Pleasant and the governing body of the City of Mount Pleasant in compliance with the laws of the State of Texas and the ordinances of the City of Mount Pleasant have given the requisite notices by publication and otherwise, and have held public hearings and afforded a full and fair hearing to all property owners generally and to all persons interested in and situated in the affected area, and in the vicinity thereof, and the governing body in the exercise of its legislative discretion, has concluded that the subject property's zoning should be amended as follows:

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MOUNT PLEASANT, TEXAS:

SECTION 1. That the Subject Property shall be used only in the manner and for the purposes authorized by the Mount Pleasant Code of Ordinances Chapter 155, Zoning Code, and the land uses specifically defined in Section 155.27 GR – General Retail District, as heretofore amended, and as amended herein, by granting this zoning change, and as maybe amended in the future;

SECTION 2. That any person, firm, or corporation violating any of the provisions of this ordinance shall be deemed guilty of a misdemeanor and upon conviction shall be punished by a penalty of fine not to exceed the sum of *Two Hundred Dollars* (\$200.00) for each offense and each and every day such offense shall continue shall be deemed to constitute a separate offense;

SECTION 3. That if any section, paragraph, or provision of this ordinance or the application of that section, paragraph, or provision to any person, firm, corporation or situation is for any reason judged invalid, the adjudication shall not affect any other section, paragraph, or provision of this ordinance or the application of any other section, paragraph or provision to any other person, firm, corporation or situation, nor shall adjudication affect any other section, paragraph, or provision of the Code of Ordinances and the City Council declares that it would have adopted the valid portions and applications of the ordinance without the invalid parts and to this end the provisions for this ordinance are declared to be severable;

SECTION 4. That the official zoning map of the City be corrected to reflect the changes in zoning described herein.

SECTION 5. That all ordinances of the City of Mount Pleasant in conflict with the provisions of this ordinance be, and the same hereby repealed to the extent of that conflict.

SECTION 6. That this ordinance shall take effect immediately from and after its passage and the publication of the caption of said ordinance as the law in such cases provides.

PASSED BY AN AFFIRMATIVE VOTE OF THE CITY COUNCIL, GOVERNING BODY OF THE CITY OF MOUNT PLEASANT, TEXAS, THIS 19TH DAY OF MAY 2026.

Wesley Lyon II, Mayor

ATTEST:

Candias Webster, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Lea Ream, City Attorney

EXHIBIT A

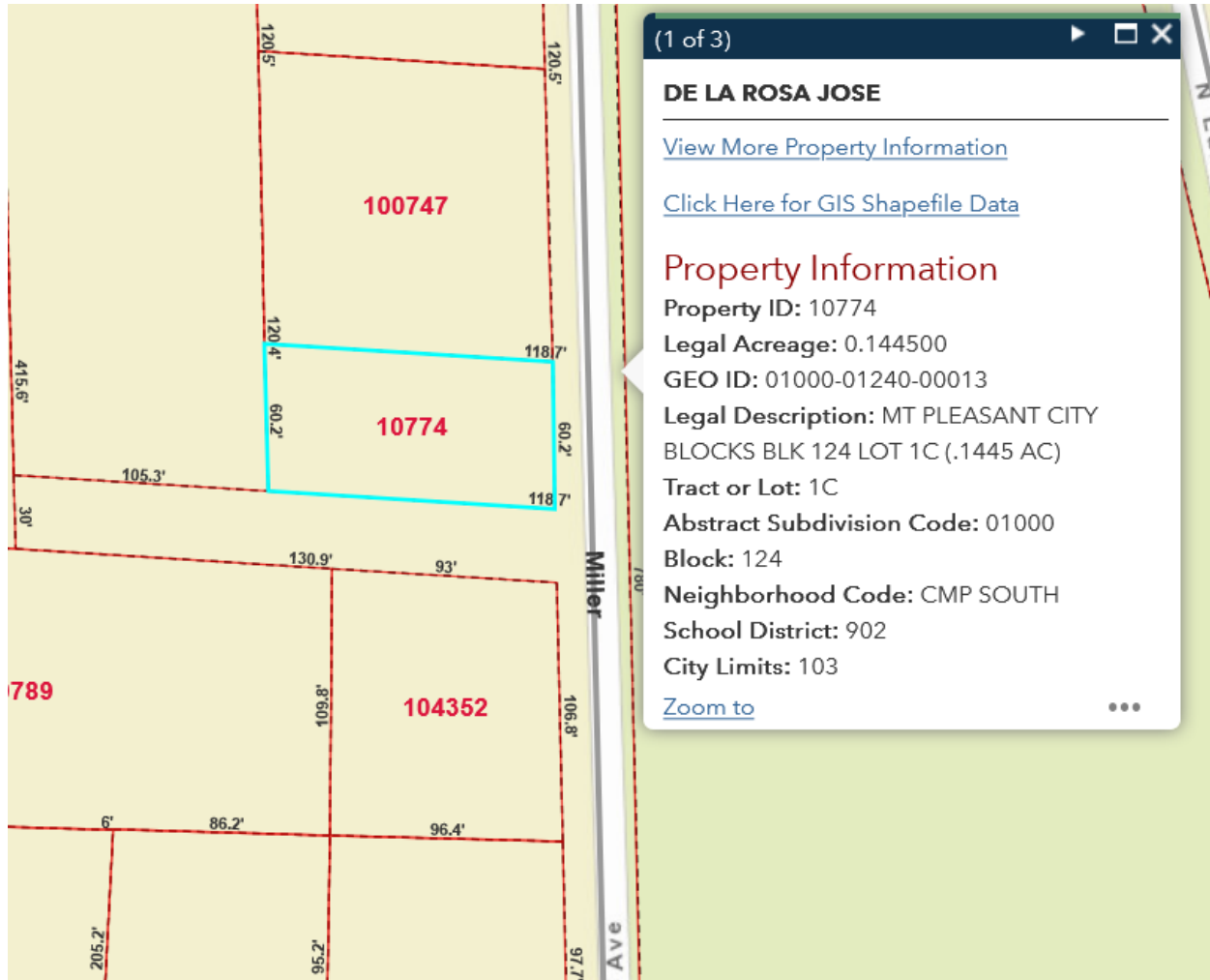
Property Information **Property ID:** 10774

Legal Acreage: .1445 AC

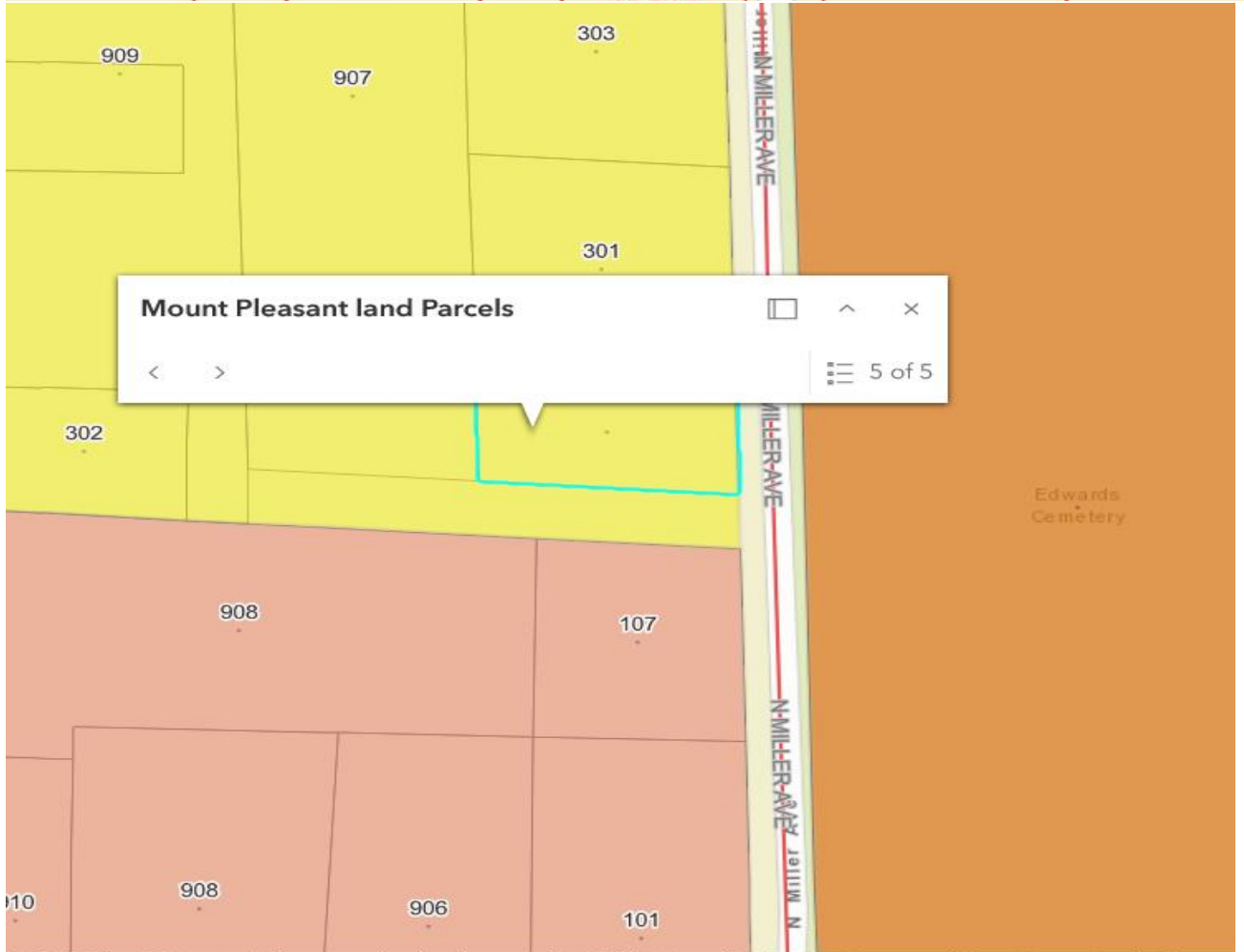
GEO ID: 01000-01240-00013

Legal Description: MT PLEASANT CITY BLOCKS BLK 124 LOT 1C (.1445 AC)

Tract or Lot: 1C









AGENDA ITEM REPORT

Meeting: City Council - May 19 2026

Staff Contact: Kevin Carter, Executive Director

Department: IDC

Subject: Presentation and discuss the Mount Pleasant EDC Report Update

Item Summary:

MPEDC Quarterly Update presented by Executive Director.



AGENDA ITEM REPORT

Meeting: City Council - May 19 2026

Staff Contact: Kevin Carter, Executive Director

Department: IDC

Subject: Discuss and consider a performance agreement between Mount Pleasant Economic Development Corporation and Sweet Shop Candies, Inc (dba Sweet Shop USA)

Item Summary:

Performance agreement between Mount Pleasant Economic Development Corporation and Sweet Shop Candies, Inc (dba Sweet Shop USA)

Financial Impact:

Not to exceed \$562,500

Recommendation(s):

Motion to approve performance agreement between Mount Pleasant Economic Development Corporation and Sweet Shop Candies, Inc (dba Sweet Shop USA)

Attachments:

[Mount Pleasant EDC - Performance Agreement - Sweet Shop USA](#)

PERFORMANCE AGREEMENT

This **PERFORMANCE AGREEMENT** by and between **MOUNT PLEASANT ECONOMIC DEVELOPMENT CORPORATION**, a Texas non-profit corporation (hereinafter referred to as “MPEDC”), and **SWEET SHOP CANDIES, INC.**, a Texas corporation (hereinafter referred to as the “Developer”), is made and executed on the following recitals, terms and conditions.

WHEREAS, MPEDC is a Type A economic development corporation operating pursuant to Chapter 504 of the Texas Local Government Code, as amended (also referred to as the “Act”), and the Texas Non-Profit Corporation Act, as codified in the Texas Business Organizations Code, as amended; and

WHEREAS, Section 501.101 of the Texas Local Government Code, in pertinent part, defines the term “project” to mean “land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements that are: (1) for the creation or retention of primary jobs; and (2) found by the board of directors to be required or suitable for the development, retention, or expansion of: (A) manufacturing and industrial facilities; (B) research and development facilities; (C) military facilities, including closed or realigned military bases; . . . (F) recycling facilities; . . . (I) distribution centers; (J) small warehouse facilities capable of serving as decentralized storage and distribution centers; (K) primary job training facilities for use by institutions of higher education; or (L) regional or national corporate headquarters facilities”; and

WHEREAS, Section 501.103 of the Texas Local Government Code, in pertinent part, defines the term “project” to mean “expenditures that are found by the board of directors to be required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises, limited to: (1) streets and roads, rail spurs, water and sewer utilities, electric utilities, or gas utilities, drainage, site improvements, and related improvements; (2) telecommunications and Internet improvements . . .”; and

WHEREAS, Section 501.158 of the Texas Local Government Code prohibits the provision of a direct incentive unless MPEDC enters into an Agreement with Developer providing at a minimum a schedule of additional payroll or jobs to be created or retained by MPEDC’s investment; a schedule of capital investments to be made as consideration for any direct incentives provided by MPEDC to Developer; and a provision specifying the terms and conditions upon which repayment must be made should Developer fail to meet the agreed to performance requirements specified in this Agreement; and

WHEREAS, the MPEDC’s Board of Directors have determined the financial assistance to be provided to the Developer for the Qualified Expenditures to be made to the Property is consistent with and meets the definition of “project” as that term is defined in Sections 501.101 and 501.103 of the Texas Local Government Code; and the definition of “cost” as that term is defined by Section 501.152 of the Texas Local Government Code; and

WHEREAS, Developer agrees and understands that Section 501.073(a) of the Texas

Local Government Code requires the City Council of the City of Mount Pleasant, Texas, to approve all programs and expenditures of MPEDC, and accordingly this Agreement is not effective until City Council has approved this project at a City Council meeting called and held for that purpose.

NOW, THEREFORE, for and in consideration of the agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, MPEDC and Developer agree as follows:

SECTION 1. FINDINGS INCORPORATED.

The foregoing recitals are hereby incorporated into the body of this Agreement and shall be considered part of the mutual covenants, consideration and promises that bind the parties.

SECTION 2. TERM.

This Agreement shall be effective as of the Effective Date, and shall continue thereafter until **December 31, 2029**, unless terminated sooner under the provisions hereof.

SECTION 3. DEFINITIONS.

The following words shall have the following meanings when used in this Agreement.

- (a) **Act.** The word “Act” means Chapters 501 to 505 of the Texas Local Government Code, as amended.
- (b) **Agreement.** The word “Agreement” means this Performance Agreement, together with all exhibits and schedules attached to this Performance Agreement from time to time, if any.
- (c) **Baseline.** The word “Baseline” means the Annual Compliance Verification reported pursuant to Section 4(d) for the reporting period of 4th Quarter of 2025.
- (d) **Developer.** The word “Developer” means Sweet Shop Candies, Inc., a Texas corporation, its successors and assigns, whose address for the purposes of this Agreement is 1316 Industrial Road, Mount Pleasant, Texas 75455.
- (e) **Effective Date.** The words “Effective Date” mean the date of the latter to execute this Agreement by and between the Developer and MPEDC.
- (f) **Event of Default.** The words “Event of Default” mean and include any of the Events of Default set forth below in the section entitled “Events of Default.”
- (g) **Full-Time Equivalent Employment Positions.** The words “Full-Time Equivalent

Employment Position” or “Full-Time Equivalent Employment Positions” mean and include a job requiring a minimum of One Thousand Eight Hundred Twenty (1,820) hours of work averaged over a twelve (12) month period, earning a minimum of \$ 14.00 per hour, with such hours also to include any vacation and sick leave, with full benefits.

- (h) **MPEDC.** The term “MPEDC” means the Mount Pleasant Economic Development Corporation, a Texas non-profit corporation, its successors and assigns, whose corporate address for the purposes of this Agreement is 302 North Jefferson Avenue, Suite 101, Mount Pleasant, Texas 75455.
- (i) **Property.** The word “Property” means the Sweet Shop candy manufacturing facility located at 1316 Industrial Road, Mount Pleasant, Texas 75455.
- (j) **Qualified Expenditures.** The words “Qualified Expenditures” mean those expenditures consisting of equipment acquisition for packaging and necessary machinery, and those expenses which otherwise meet the definition of “project” as that term is defined by Sections 501.101 and 501.103 of the Act, and the definition of “cost” as that term is defined by Section 501.152 of the Act.
- (k) **Term.** The word “Term” means the term of this Agreement as specified in Section 2 of this Agreement.

SECTION 4. AFFIRMATIVE COVENANTS OF DEVELOPER.

Developer covenants and agrees with MPEDC that, while this Agreement is in effect, it shall comply with the following terms and conditions:

- (a) **Qualified Expenditures.** Developer covenants and agrees to submit to the MPEDC invoices, receipts, or other documentation in a form acceptable to the MPEDC for the Qualified Expenditures made to the Property in a minimum amount of **Two Hundred Fifty Thousand and No/100 Dollars (\$250,000.00) by December 31, 2029.**
- (b) **Site Visits.** Developer will allow MPEDC's representatives to visit the Property during the Term of this Agreement during regular business hours after 24-hour advance written notice for the purpose of verifying Developer's compliance with this Agreement and related documents.
- (c) **Record Access.** Developer will allow MPEDC reasonable access to its employment records and books (invoices, receipts, billing statements, and/or other documentation for Qualified Expenditures) that may be relevant to the economic development considerations and incentives identified in this Agreement. The confidentiality of such records and information will be strictly maintained by the Developer unless disclosure of such record and information shall be required by the law. Developer is required to allow records access during the Term of this Agreement.

- (d) **Operate Chocolate Manufacturing Facility.** Developer covenants and agrees by **December 31, 2026**, and during the Term of this Agreement to keep open during normal operating hours the chocolate manufacturing facility located on the Property.
- (e) **Job Creation and Retention.** Developer covenants and agrees by **December 31, 2026**, and during the Term of this Agreement to employ and maintain up to **seventy-five (75)** additional Full-Time Equivalent Employment Positions working at the Property over and exceeding the Baseline. Developer covenants and agrees beginning on **February 1, 2027**, and during the Term of this Agreement, Developer shall deliver to MPEDC an annual compliance verification signed by a duly authorized representative of Developer that shall certify the number of Full-Time Equivalent Employment Positions, and shall disclose and certify the average wage for all Full-Time Equivalent Employment Positions (the “Annual Compliance Verification”). The Baseline report shall be due **December 31, 2026**, for the reporting period of 4th Quarter of 2025. Further, the Developer covenants and agrees beginning on **February 1, 2027**, and annually thereafter during the Term of this Agreement there will be a total of **three (3)** Annual Compliance Verifications due and submitted to the MPEDC covering the Full-Time Equivalent Employment Positions created and maintained during the Term of this Agreement. All Annual Compliance Verifications shall include quarterly IRS 941 returns, or Texas Workforce Commission Employer Quarterly Reports.
- (f) **Performance Conditions.** Developer agrees to make, execute and deliver to MPEDC such other promissory notes, instruments, documents and other agreements as MPEDC or its attorneys may reasonably request to evidence this Agreement.
- (g) **Performance.** Developer agrees to perform and comply with all terms, conditions, and provisions set forth in this Agreement and in all other instruments and agreements between Developer and MPEDC.

SECTION 5. AFFIRMATIVE COVENANTS OF MPEDC.

MPEDC covenants and agrees with the Developer that, while this Agreement is in effect, it shall comply with the following terms and conditions:

- (a) **Reimbursement for Job Creation and Retention.** The MPEDC covenants and agrees to provide annual financial incentive to the Developer in the amount of **Two Thousand Five Hundred and No/100 Dollars (\$2,500.00)** for each Full-Time Equivalent Employment Position created by Developer and working at the Property and reported in the Annual Compliance Verification required by Section 4(e) of this Agreement and exceeding the Baseline.. The maximum financial incentive provided by the MPEDC to Developer pursuant to this Section 5(a) of this Agreement shall not exceed **Seven Thousand Five Hundred and No/100 Dollars (\$7,500.00)** for each Full-Time Equivalent Employment Position exceeding the Baseline. The incentive shall be paid in three (3) annual installments

in the annual payment of **Two Thousand Five Hundred and No/100 Dollars (\$2,500.00)** for each Full-Time Equivalent Employment Position working at the Property for a three (3) year period. The maximum amount of the annual incentive provided under this Agreement shall not exceed **Five Hundred Sixty-Two Thousand Five Hundred and No/100 Dollars (\$562,500.00)**.

- (b) **Performance.** MPEDC agrees to perform and comply with all terms, conditions, and provisions set forth in this Agreement and in all other instruments and agreements between Developer and MPEDC.

SECTION 6. CESSATION OF ADVANCES.

If MPEDC has made any commitment to make any reimbursement to Developer, whether under this Agreement or under any other agreement, MPEDC shall have no obligation to advance or disburse any financial assistance if: (i) Developer becomes insolvent, files a petition in bankruptcy or similar proceedings, or is adjudged bankrupt; or (ii) an Event of Default occurs.

SECTION 7. EVENTS OF DEFAULT.

Each of the following shall constitute an Event of Default under this Agreement:

- (a) **General Event of Default.** Failure of Developer or MPEDC to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement, or failure of Developer or MPEDC to comply with or to perform any other term, obligation, covenant or condition contained in any other agreement by and between Developer and MPEDC is an Event of Default.
- (b) **False Statements.** Any warranty, representation, or statement made or furnished to MPEDC by or on behalf of Developer under this Agreement that is false or misleading in any material respect, either now or at the time made or furnished is an Event of Default.
- (c) **Insolvency.** Developer's insolvency, appointment of receiver for any part of Developer's property, any assignment for the benefit of creditors of Developer, any type of creditor workout for Developer, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Developer is an Event of Default.
- (d) **Other Defaults.** Failure of Developer to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement, or failure of Developer to comply with or to perform any other term, obligation, covenant or condition contained in any other agreement between MPEDC and Developer.

SECTION 8. EFFECT OF AN EVENT OF DEFAULT.

In the event of default under Section 7 of this Agreement, the non-defaulting party shall

give written notice to the other party of any default, and the defaulting party shall have thirty (30) days to cure said default. Should said default remain uncured as of the last day of the applicable cure period, and the non-defaulting party is not otherwise in default, the non-defaulting party shall have the right to immediately terminate this Agreement, enforce specific performance as appropriate, or maintain a cause of action for damages caused by the event(s) of default. In the event, Developer defaults and is unable or unwilling to cure said default within the prescribed time period, the amounts provided by MPEDC to Developer pursuant to Section 5(a) of this Agreement shall become immediately due and payable by Developer to MPEDC.

SECTION 9. INDEMNIFICATION.

TO THE EXTENT ALLOWED BY LAW, EACH PARTY AGREES TO RELEASE, DEFEND, INDEMNIFY, AND HOLD HARMLESS THE OTHER (AND ITS OFFICERS, AGENTS, AND EMPLOYEES) FROM AND AGAINST ALL CLAIMS OR CAUSES OF ACTION FOR INJURIES (INCLUDING DEATH), PROPERTY DAMAGES (INCLUDING LOSS OF USE), AND ANY OTHER LOSSES, DEMAND, SUITS, JUDGMENTS AND COSTS, INCLUDING REASONABLE ATTORNEYS' FEES AND EXPENSES, IN ANY WAY ARISING OUT OF, RELATED TO OR RESULTING FROM ITS PERFORMANCE UNDER THIS AGREEMENT, OR CAUSED BY ITS NEGLIGENT ACTS OR OMISSIONS (OR THOSE OF ITS RESPECTIVE OFFICERS, AGENTS, EMPLOYEES, OR ANY OTHER THIRD PARTIES FOR WHOM IT IS LEGALLY RESPONSIBLE) IN CONNECTION WITH PERFORMING THIS AGREEMENT.

SECTION 10. MISCELLANEOUS PROVISIONS.

The following miscellaneous provisions are a part of this Agreement:

- (a) **Amendments.** This Agreement constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.
- (b) **Applicable Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Titus County, Texas. Venue for any action arising under this Agreement shall lie in the state district courts of Titus County, Texas.
- (c) **Assignment.** This Agreement may not be assigned without the express written consent of the other party.
- (d) **Binding Obligation.** This Agreement shall become a binding obligation on the signatories upon execution by all signatories hereto. Developer warrants and represents that the individual or individuals executing this Agreement on behalf of Developer has full

the public subsidy provided under this Agreement plus interest, at the rate of eight percent (8%), not later than the 120th day after the date MPEDC notifies Developer of the violation.

[The Remainder of this Page Intentionally Left Blank]

DEVELOPER ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS PERFORMANCE AGREEMENT, AND DEVELOPER AGREES TO ITS TERMS. THIS PERFORMANCE AGREEMENT IS EFFECTIVE AS OF THE EFFECTIVE DATE AS DEFINED HEREIN.

MPEDC:

**MOUNT PLEASANT ECONOMIC
DEVELOPMENT CORPORATION,**
a Texas non-profit corporation

By: _____
Kevin Carter, Executive Director
Date Signed: _____

DEVELOPER:

SWEET SHOP CANDIES, INC.,
a Texas corporation,

By: _____
Michael Moss, President & Owner
Date Signed: _____



AGENDA ITEM REPORT

Meeting: City Council - May 19 2026

Staff Contact: Kevin Carter, Executive Director

Department: IDC

Subject: Discuss and consider an Agreement for Accounting, Investment, and Payroll Management Services between the Mount Pleasant Economic Development Corporation and the City of Mount Pleasant, Texas.

Item Summary:

Agreement between Mount Pleasant Economic Development Corporation and City of Mount Pleasant, Texas for Accounting, Investment, and Payroll Management Services.

Financial Impact:

\$15,000

Recommendation(s):

Motion to approve Agreement for Accounting, Investment, and Payroll Management Services with the City of Mount Pleasant, Texas.

Attachments:

[Agreement for Accounting Services](#)

**AGREEMENT FOR ACCOUNTING, INVESTMENT
AND PAYROLL MANAGEMENT SERVICES**

By this agreement, the City of Mount Pleasant, a municipal corporation situated in Titus County, Texas, herein called "CITY," and the Mount Pleasant Economic Development Corporation, herein called "CORPORATION," agree for the provision of accounting, investment and payroll management services upon the following terms, conditions and requirements:

WITNESSETH:

The CITY will provide accounting, investment, and payroll services to the CORPORATION which will utilize the CITY'S financial accounting and reporting system, and the CITY's fiscal year.

1. Term: The term of this agreement will be for three (3) years from its effective date, which will be identified along with the date of execution. The agreement will be automatically extended for a like term unless either party shall give notice of termination at least sixty (60) days prior to the expiration of a term.
2. Fee: The CITY will furnish the functions specified herein for \$15,000 annually. The fee established herein is for serving as fiscal agent.
3. Budget System: The CITY will furnish the necessary budget work papers for budget preparation by the CORPORATION and will enter the CORPORATION'S unique functions. Line item budget controls will be imposed to prevent expenditures in excess of budgeted amounts. The CITY'S accounting department will assist the CORPORATION in budget amendments or transfers should they become necessary.
4. Management Reports: On or about the tenth day of each month, the CITY will furnish to the CORPORATION the following reports for the previous month:
 - A. Comparative Budget/Expenditures for the month and year to date:
 - B. Comparative Budget/Revenues for the month and year to date:
 - C. Summary Balance Sheet:
 - D. Summary Operating Statement:
 - E. Voucher listing with vouchers available for review:

5. Cash Management: The CITY will invest the CORPORATION's reserve funds and idle operating cash according to the CITY's Investment Policy to the benefit of the CORPORATION's accounts. The CITY will make a monthly report of the status of investments.
6. Fixed Assets Accounting: Fixed Assets will be accounted for in total by location. A depreciation schedule will be prescribed.
7. Project Accounting: Projects will be given individual accounts and monitored by the methods set out in paragraph 4, above. Projects may extend beyond fiscal year endings without closing at the end of the fiscal year.
8. Audit Reports: The CORPORATION will be carried as an agency fund in the CITY's annual audit report.
9. Payroll: The CITY will provide payroll services including insurance, leave and retirement benefits. Employees of the CORPORATION will have the same benefits as CITY employees. Payroll costs will be reimbursed to the CITY out of the CORPORATION's operating account.
10. Training and Support: The CITY will provide training and support to the CORPORATION's personnel for preparation of the documents necessary to utilize the CITY's financial system.
11. City Not Obligated to Third Parties: The CITY shall not be obligated or liable hereunder to any party other than the CORPORATION, and the CORPORATION may not make any assignment or create any obligation on the CITY without the express written consent of the CITY.
12. Breach: Failure of either party to perform the obligations herein imposed shall constitute a breach of this agreement which shall be cured within ten (10) days following notice in writing of such breach. Failure to cure shall allow the party not in breach to cancel this agreement by written notice of cancellation.
13. Records of the Corporation: All financial records of the Corporation are the property of the Corporation and thus subject to the Texas Public Information Act. All requests for information will be forwarded to the Corporation.

This agreement shall become effective on the date of signature of the last parties to sign.

DATED this _____ day of _____, 2026.

CITY OF MT. PLEASANT

By: _____
Rob Vine, City Manager

MT. PLEASANT ECONOMIC DEVELOPMENT CORPORATION

By: _____
Kevin Carter, Executive Director



AGENDA ITEM REPORT

Meeting: City Council - May 19 2026

Staff Contact: Kevin Carter, Executive Director

Department: IDC

Subject: Discuss and consider the proposed amendment to the Bylaws of the City of Mount Pleasant, Texas, Economic Development Corporation.

Item Summary:

Amending the City of Mount Pleasant, Texas Industrial Development Corporation Bylaws

Financial Impact:

N/A

Recommendation(s):

Motion to approve amending the City of Mount Pleasant, Texas Industrial Development Corporation Bylaws.

Attachments:

[MPEDC2~1.DOC](#)

~~CITY OF MOUNT PLEASANT, TEXAS~~
~~INDUSTRIAL DEVELOPMENT CORPORATION~~
MOUNT PLEASANT ECONOMIC DEVELOPMENT CORPORATION

BYLAWS

ARTICLE I

PURPOSE

SECTION 1.01. The Mount Pleasant Economic Development Corporation (hereinafter referred to as the “Corporation”) is incorporated for the purposes set forth in Article Four of its Articles of Amendment to the Articles of Incorporation (Certificate of Formation), filed November 2, 1994, the same to be accomplished on behalf of the City of Mount Pleasant, Texas, a Texas municipal corporation (referred hereinafter referred to as the “City”) as its duly constituted governing authority and instrumentality in accordance with the Development Corporation Act, chapters 501 to 504 of the Texas Local Government Code, as amended, (hereinafter referred to as the “Act”), and other applicable laws.

SECTION 1.02. In the fulfillment of its corporate purpose, the Corporation shall be governed by Chapter 504 of the Act, and shall have all of the powers set forth and conferred in its Articles of Amendment to the Articles of Incorporation (herein referred to the “Certificate of Formation”), in the Act, and in other applicable law, subject to the limitations prescribed therein and herein and to the provisions thereof and hereof.

~~ARTICLE I~~

OFFICES

~~SECTION 1.01~~2.01. The principal office of the ~~City of Mount Pleasant, Texas Industrial Development Corporation (the “Corporation”)~~ shall be at the City of Mount Pleasant, Texas City Offices, 116 East 3rd Street ~~Corporation shall be 302 N. Jefferson, Suite 101, Mount Pleasant, Texas 75455.~~

~~ARTICLE II~~

DIRECTORS

~~SECTION 2.01~~3.01. The affairs of the Corporation shall be managed by a board of directors (~~the hereinafter referred to as the “Board”~~) which shall be composed in its entirety of

~~persons appointed by, and whose terms of office shall be fixed by, the governing body of the City of Mount Pleasant, Texas (“the City”).~~

SECTION 3.02. The Board shall consist of Seven (7) directors, each of whom shall be appointed by the governing body (hereinafter referred to as the “City Council” of the City of Mount Pleasant, Texas (hereinafter referred to as the “City”) in accordance with the Certificate of Formation.

SECTION ~~2.02~~3.03. Vacancies in the Board, including vacancies to be filled by reason of an increase in the number of directors, shall be filled for the unexpired term by the appointment of successor directors by the governing body of the City.

SECTION ~~2.03~~3.04. The property and business of the Corporation shall be managed by the Board which may exercise all powers of the Corporation and do all lawful acts.

MEETINGS

SECTION ~~2.04~~3.05. ~~The annual meeting of the Board shall be held at the principal office of the Corporation on the 1st Monday of December of each year, if not a legal holiday, and if a legal holiday, then at the next secular day following, at 1:30 o’clock, p.m., or at such time and place as shall be fixed by the consent in writing of all of the directors. All other meetings may be held at the place selected by the Board within the boundaries of the City.~~ The last meeting of the Corporation’s fiscal year shall be designated as the Annual Meeting. It will be held at a time and place designated by the Board. Notice of any meeting shall be given to the public in accordance with the requirements of the Texas Open Meetings Act. The notice shall contain information regarding the particular time, date, and location of the meeting and the agenda to be considered. All meetings shall be conducted according to the Texas Open Meetings Act.

SECTION ~~2.05~~3.06. The Board shall hold their Regular meetings at such place or places within the City limits as the Board may from time to time determine; provided, however, in the absence of any such determination by the Board the meetings shall be held at the principal office of the Corporation as specified in Article II of these Bylaws., ~~other than the annual meeting, may be held without notice at such time as shall from time to time be determined by resolution of the Board.~~ Notice of any meeting shall be given to the public in accordance with the requirements of the Texas Open Meetings Act. The notice shall contain information regarding the particular time, date, and location of the meeting and the agenda to be considered. All meetings shall be conducted according to the Texas Open Meetings Act.

SECTION ~~2.06~~3.07. Special meetings of the Board may be called by the ~~President~~ Board Chair or by a majority of the Board of Directors, or by a majority of the City Council in accordance with the notice requirements of the Texas Open Meetings Act ~~on three days’ notice to~~

~~each director, either personally or by mail or by telegram; special meetings shall be called by the President or Secretary in like manner on like notices on the written request of two directors.~~

SECTION 2.07~~2.08~~**3.08**. At all meetings of the Board the presence of a majority of the directors shall be necessary and sufficient to constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which a quorum shall be the act of the Board, except as may be otherwise specifically provided by these Bylaws. If a quorum shall not be present at any meeting of the directors, the directors present thereat may recess the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

~~SECTION 2.08. A meeting of the Board can be held at any time without written notice upon the execution by all directors of a written waiver of notice, and likewise may be held without notice when all of the directors are present at the meeting.~~

~~SECTION 2.09. Any action required by the Development Corporation Act of 1979 to be taken at a meeting of the Board or any action which may be taken at a meeting of the Board may be taken without a meeting if a consent in writing, setting forth the action to be taken, shall be signed by all of the directors. Such consent shall have the same force and effect as a unanimous vote and may be stated as such in any articles or document filed with the secretary of state under the Development Corporation Act of 1979.~~

~~SECTION 2.10. All meetings of the Board shall be held within the State of Texas.~~

Committees of Directors

SECTION 2.11~~2.12~~**3.09**. The Board may, ~~by resolution or resolutions adopted by a majority of the whole Board,~~ establish one or more committees, **with** each committee ~~to consist~~ **consisting** of two or more of the directors of the Corporation. Such committee or committees shall have such name or names, and such powers, as may be determined from time to time ~~by resolution adopted~~ by the Board of Directors.

SECTION 2.12~~2.13~~**3.10**. The committees shall keep regular minutes of their proceedings and report the same to the Board when required.

SECTION 2.13~~2.14~~**3.11**. Directors, as such, shall receive no compensation for services rendered as directors, but shall be reimbursed for all reasonable expenses incurred in performing their duties as directors.

ARTICLE ~~III~~**IV**

NOTICES

~~SECTION 3.01~~**4.01**. Whenever under the provisions of the statutes or these Bylaws, notice is required to be given to any director, it shall not be construed to mean personal notice, but such Notice may be given in writing, by mail, **or by electronic mail**, addressed to each director at such address as appears on the books of the Corporation, and such notice shall be deemed to be given at the time when the same shall be thus mailed (**written or electronically**).

~~SECTION 3.02. Whenever any notice is required to be given under the provisions of the statutes or of these Bylaws, a waiver thereof in writing signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.~~

ARTICLE ~~IV~~**V**

OFFICERS

~~SECTION 4.01~~**5.01**. The officers of the Corporation shall be chosen by the Board. The Board shall choose from its members a **President Chair**, ~~and a Vice President~~**Chair, a Secretary**. ~~The Board shall also choose a Secretary and a Treasurer who may or may not be members of the Board.~~ Any two or more offices may be held by the same person, except the offices of **President Chair** and Secretary.

~~SECTION 4.02~~**5.02**. The Board shall choose such officers **annually** at its first meeting ~~and at each annual meeting thereafter in even number years~~ **of the calendar year**.

~~SECTION 4.03. The officers of the Corporation chosen pursuant to Section 4.02 shall serve until the second annual meeting of the Board thereafter or until successors are chosen and qualify in their stead.~~

~~SECTION 4.04~~**5.03**. The Board may appoint such other officers and agents as it shall deem necessary, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

~~SECTION 4.05~~**5.04**. Any officer elected or appointed by the Board may be removed at any time by the affirmative vote of a majority of the whole Board. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board.

~~THE PRESIDENT~~**CHAIR**

~~SECTION 4.06~~**5.05**. The **President Chair** shall preside at all meetings of the directors.

SECTION 4.07~~5.06~~. The ~~President~~Chair shall be an exofficio a member of all standing committees, shall have general supervision of the management of the business of the Corporation, and shall see that all orders and resolutions of the Board are carried into effect.

~~SECTION 4.08. The President shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the Corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board to some other officer or agent of the Corporation.~~

VICE PRESIDENT~~CHAIR~~

SECTION 4.09~~5.07~~. The Vice ~~President~~Chair shall, in the absence or disability of the ~~President~~Chair, perform the duties and exercise the powers of the ~~President~~Chair, and shall perform such other duties as the Board shall subscribe.

~~THE~~ SECRETARY

SECTION 4.10~~5.08~~. The Secretary shall attend all sessions of the Board and record **or cause to record** all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for the standing committees when required. ~~He~~ **The Secretary** shall give, or cause to be given, notice of all special meetings of the Board and shall perform such other duties as may be prescribed by the Board or the ~~President~~Chair, under whose supervision ~~he~~**they** shall be. ~~He shall keep in safe custody the seal of the Corporation and, when authorized by the Board, affix the same to any instrument requiring it, and, when so affixed, it shall be attested by his signature. And when the corporate seal is required as to instruments executed in the course of ordinary business he shall attest to the signature of the President or Vice President and shall affix the seal thereto.~~

~~THE~~ TREASURER

~~SECTION 4.11. To the extent not otherwise provided by the Board, by rules or regulations, in resolutions relating to the issuance of bonds, or in any financing documents relating to such issuance, the Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in a depository as shall be designated by the Board. He shall disburse the funds of the Corporation as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and directors, at the regular meetings of the Board, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Corporation.~~

EXECUTIVE OFFICER

~~SECTION 5.09.~~ The Corporation may seek out and employ an Executive Officer. The Executive Officer shall be responsible to the Board and shall act as the Board chief executive officer and shall be responsible for all daily operations, implementation of the Board's policies and assist the Board in carrying out the duties of the Board as set forth in these Bylaws. The Board shall, in the annual budget, make provisions for the compensation to be paid to said officer. The executive officer may employ such personnel as may be necessary to discharge the corporation's assigned duties.

~~SECTION 4.12~~**5.10.** The Board may require the ~~President~~**Chair**, Vice ~~President~~**Chair**, the Secretary ~~and the Treasurer~~ to give the Corporation bonds in such sums and with such surety or sureties as shall be satisfactory to the Board for the faithful performance of the duties of their office and for the restoration to the Corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Corporation.

~~SECTION 4.13.~~ The provisions of the Texas Uniform Facsimile Signature of Public Officials Act shall be applicable to the Corporation, which is a duly constituted instrumentality of the City of Mount Pleasant, Texas, a political subdivision of the State of Texas.

ARTICLE ~~V~~**VI**

FISCAL PROVISIONS

~~SECTION 5.01~~**6.01.** No dividends shall ever be paid by the Corporation and no part of its net earnings remaining after payment of its expenses shall be distributed to or inure to the benefit of its directors or officers or any individual, firm, corporation, or association, except that in the event the board of directors shall determine that sufficient provision has been made for the full payment of the expenses, bonds, and other obligations of the Corporation, then any net earnings of the Corporation thereafter accruing shall be paid to the City of Mount Pleasant, Texas. No part of the Corporation's activities shall be carrying on propaganda, or other attempting to influence legislation, and it shall not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf or in opposition to any candidate for public office.

~~SECTION 5.02~~**6.02.** The Board shall have prepared for each annual meeting a full and clear statement of the business and condition of the Corporation.

~~CHECKS~~**FISCAL AGENT**

~~SECTION 5.03~~**6.03.** All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board may from time to time designate, provided that in no event shall a check be negotiable until it is signed by at least

~~one officer.~~ The City shall act as the fiscal agent of the Corporation under a fiscal agent services agreement. The agreement will outline payroll and accounting procedures for the Corporation.

FISCAL YEAR

SECTION 5.04~~6.04~~. The fiscal year ~~shall be determined by resolution of the Board~~ will be October 1st through September 30th of the following year.

~~ARTICLE VI~~

~~SEAL~~

~~SECTION 6.01. The corporate seal shall be circular and shall have inscribed in the outer circle "City of Mount Pleasant, Texas Industrial Development Corporation" and shall have inscribed in the inner circle the letters "T E X A S" and a five pointed star. Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise. The imprint of this seal thus authorized is affixed opposite to this section.~~

ARTICLE VII

AMENDMENTS

SECTION 7.01. These Bylaws may be altered, changed, or amended at any meeting of the Board at which a quorum is present, provided notice of the proposed alteration, change, or amendment be contained in the notice of such meeting, by the affirmative vote of a majority of the directors at such meeting and present thereat. **Notwithstanding the foregoing, no alterations, changes or amendments shall become effective without City Council approval.**



AGENDA ITEM REPORT

Meeting: City Council - May 19 2026

Staff Contact: Rob Vine, City Manager

Department: Administration

Subject: City Manager's Report

Attachments:

[Airport April 2026](#)

[Animal Control April 2026](#)

[Building April 2026](#)

[Civic Center April 2026](#)

[Code Enforcement April 2026](#)

[Fire April 2026](#)

[Library April 2026](#)

[Police April 2026](#)

[Planning Zoning April 2026](#)

[Public Works April 2026](#)

[Utilities April 2026](#)

[2026 April Public Works](#)

[April 2026 Utilities report](#)

AIRPORT MONTHLY REPORT

Apr-26

Item/Activity	This month	Total YTD	This Month Year Ago	Total Year Ago
AIRPORT OPERATIONS	560	5036	554	3794
Fixed Wing Reciprocating - Single	320	3144	368	2402
Fixed Wing Reciprocating - Twin	60	436	36	356
Fixed Wing Turboprop	66	408	30	194
Fixed Wing Jet	64	516	64	394
Helicopter	50	532	56	448
BASED AIRCRAFT				
	138		140	
SALES				
Total Fuel Sale (Gals)	19,457	125,553	15,763	107,531
100LL Fuel Sold (Gals)	4,250	37,225	3,347	35,219
Jet Fuel Sold (Gals)	15,207	88,328	12,416	72,312
Revenue	\$155,223.40	\$792,618.89	\$87,952.95	\$645,457.24
Total Fuel Sale (\$)	\$137,719.70	\$626,009.19	\$72,065.75	\$492,871.51
Aviation Oil w/o tax(\$)	\$1,074.09	\$8,862.23	\$1,519.57	\$6,276.17
Misc Sales w/o tax(\$)	\$0.92	\$206.52	\$22.63	\$188.91
Rental / Lease Income (\$)	\$16,340.00	\$157,540.95	\$14,345.00	\$146,120.65
Accounting		COMMENTS		
Sales Tax Collected (\$)	\$88.69			
Cash Sales Including Tax (\$)	\$328.90			
Deposits (\$)	\$328.90			
Cash on Hand (\$)	\$100.00			

PRINT DATE: 1-May-26



CITY OF MT. PLEASANT ANIMAL CONTROL CALENDAR MONTHLY REPORT 2026

April

AC Officer Activity	2026 This Month	Prior Month	Month to Month % Change	2026 Total YTD	2025 This Month	2025 Total YTD	# YTD + or -	2026 % Change YTD From 2025
Calls for Service	64	61	5%	220	139	476	-256	-54%
Animal Bite Reports	4	3	33%	12	1	10	2	20%
Warnings Issued	11	5	120%	26	5	18	8	44%
Citations Issued	18	10	80%	81	20	55	26	47%
Complaints filed with Court	0	31	-100%	69	56	106	-37	-35%
Animals Delivered to Shelter	2026 This Month	Prior Month	2026 Total YTD	% of all Impounds for all 2025 Year	2025 This Month	2025 Total YTD	# YTD + or -	2026 % Change YTD From 2025
Animal Control	26	28	85	19%	34	100	-15	-15%
Mount Pleasant Public	49	33	153	34%	79	238	-85	-36%
Titus County Public	47	54	178	39%	40	223	-45	-20%
Pittsburg Public	7	4	28	6%	19	55	-27	-49%
Gilmer Public	1	1	7	2%	0	13	-6	-46%
Total Delivery Activity	130	120	451	100%	172	629	-178	-28%
Animal Disposition From Shelter	2026 This Month	Prior Month	Month to Month % Change	2026 Total YTD	2025 This Month	2025 Total YTD	# YTD + or -	2026 % Change YTD From 2025
Animals Reclaimed by Owner	9	8	13%	29	8	36	-7	-19%
Animals Adopted	43	36	19%	139	40	171	-32	-19%
Animals given to Rescue Org's	40	29	38%	126	43	163	-37	-23%
Animals Euthanized	24	55	-56%	152	65	214	-62	-29%
Animal Died Natural Causes	1	2	-50%	3	3	4	-1	-25%
Total Animals Released	117	130	-10%	451	165	643	-192	-30%
Animals Chipped*	2	38	-95%	110	60	263	-153	-58%
Adoption without Fee	12	3	N/A	22	18	53	-31	-58%
Adoption Fees Received	\$2,598	\$2,529	N/A	\$9,207	\$1,719	\$8,405	\$802	10%

*1 Microchips-non adoptions

BUILDING/PLANNING & DEVELOPMENT MONTHLY REPORT
APRIL 2025-2026

ITEM--ACTIVITY	THIS MONTH	TOTAL YTD	THIS MO YR AGO	TOTAL YR AGO
* PERMITS *				
New Residential	0	7	0	6
Residential Add On or Remodel	5	37	6	16
New Commercial	2	10	1	2
Commercial Add On or Remodel	6	20	3	4
New Multi-Family	0	1	0	0
New Duplex	0	0	0	0
Other Permits	34	261	70	369
Certificates of Occupancy	2	26	3	33
Non Profit Special Event Permits	1	1	1	10
Special Event Permits	0	0	0	0
TOTAL PERMITS / LICENSES	50	363	84	440
VALUE				
Commercial Add On or Remodel	\$332,999.00	\$955,399.00	2813720.6	\$2,813,720.60
New Commercial Value	\$ 5,613,188.00	\$ 15,178,934.70	\$ 278,513.40	\$ 19,937,159.40
New Multi-Family	\$ -		\$ -	\$ -
New Town Homes	\$ -	\$ 3,600,000.00	\$ -	\$ -
New Duplex	\$ -		\$ -	\$ -
TOTAL VALUE	\$5,946,187.00	\$19,734,333.70	\$ 3,092,234.00	\$22,750,880.00
* INSPECTIONS *				
Residential Bldg	80	693	58	624
Commercial Bldg	113	543	45	377
Grease Trap	31	142	16	146
TOTAL INSPECTIONS			119	1147
REVENUE				
New Residential Bldg/addon/rmdl	\$ 799.50	\$ 31,442.60	\$ 699.30	\$ 11,859.50
New Commercial Bldg/addon/rmdl	\$ 34,841.37	\$ 190,947.60	\$ 16,323.12	\$ 96,446.18
New Multi-family	\$ -	\$ 2,710.25	\$ -	\$ -
New Town Homes	\$ -	\$ -	\$ -	\$ -
New Duplex	\$ -	\$ -	\$ -	\$ -
Other Permits	\$ 3,101.35	\$ 26,651.66	\$ 6,806.90	\$ 50,550.60
Re-inspections			\$ -	\$ -
Certificates of Occupancy	\$ 100.00	\$ 1,200.00	\$ 150.00	\$ 1,550.00
Special Event Permits	\$ -	\$ 250.00	\$ -	\$ -
TOTAL REVENUE	\$ 38,842.22	\$ 253,202.11	\$ 23,979.32	\$ 160,406.28



 Building Official

Building Permits Issued

Type	Permit #	Name	Address	Date Paid	Fees Paid	Valuation
Carpport	CP35848	Rosa Salzar	715 E Arkansas St	4/2/2026	\$50.00	
Total	1				\$50.00	
Certificate of Occupancy	COI35802	Chicken Express	1903 S Jefferson	3/16/2026	\$50.00	
	COI35843	7 Brews	2410 S Jefferson Ave	4/1/2026	\$50.00	
Total	2				\$100.00	
Commercial Add On or Remodel	CAR35841	NY Nail and spa	310 W Ferguson Rd	4/1/2026	\$95.75	\$100.00
	CAR35851	Craig Murphy Investments	500 COMMERCE DR	4/6/2026	\$1638.04	\$212,999.00
	CAR35855	Linda Baker	112 N Jefferson Ave		\$0.00	
	CAR35877	SBA	817 E 9th St	4/24/2026	\$503.75	\$35,000.00
	CAR35871	Justin Stansell	100 W Arkansas	4/14/2026	\$6089.94	\$1,128,681.00
	CAR35885	Misael Balderas	2208 W Ferguson Rd	4/22/2026	\$900.25	\$85,000.00
Total	6				\$9227.73	\$1,461,780.00
Concrete	FW35842	NORMA MARTINEZ	905 N Lide Ave	4/1/2026	\$50.00	
	FW35861	Eriberto Rocha	1208 Earnest St	4/8/2026	\$50.00	
	FW35881	Rodolfo Barboza	104 McKinnon St	4/21/2026	\$50.00	
Total	3				\$150.00	
Demo	DEMO35857	Mrs EH Freeman Estate	902 W 10th St		\$0.00	
	DEMO35883	Will Burrows	1107 W 1st St	4/21/2026	\$50.00	
	DEMO35884	Will Burrows	1101 W 1st St	4/21/2026	\$50.00	
	DEMO35898	Milan Land managment	2400 Farm Rd 1402	4/28/2026	\$50.00	
Total	4				\$150.00	
Electrical Permit	ELC35856	Jo Ann Johnson	802 W 16th St	4/7/2026	\$50.00	\$100.00
	ELC35873	Leo Osornio	602 E 3rd St	4/17/2026	\$75.00	
	ELC35890	Roberto Iugo	512 S Florey Ave	4/24/2026	\$75.00	
Total	3				\$200.00	\$100.00
Irrigation Permit	IRG35844	7Brew	2410 S Jefferson Ave	4/1/2026	\$125.00	
Total	1				\$125.00	
Mechanical Permit	MEC35849	Luis Hernandez	603 Fricke St	4/6/2026	\$75.00	
	MEC35870	Tracey Traylor	901 Carr Dr	4/13/2026	\$75.00	
Total	2				\$150.00	
Miscellaneous	MISC35893	Silvia Mendez	1508 McMinn Ave	4/27/2026	\$50.00	
Total	1				\$50.00	
New Commercial	NCB35853	Robert & Linda Merritt	1214 N Washington	4/14/2026	\$2125.25	\$300,000.00
	NCB35864	Academy Sports	1075 All Good Dr	4/14/2026	\$23488.39	\$5,313,188.00
Total	2				\$25613.64	\$5,613,188.00
Plumbing Permit	PLM35858	Annette Police	1407 N Washington	4/8/2026	\$75.00	
	PLM35865	Greenhill Villas	2530 Sr Commnty	4/13/2026	\$75.00	
	PLM35868	Chris Guerro	711 W ARIZONA	4/13/2026	\$75.00	

	PLM35872	Brad Burrows	602 Dellwood Dr	4/14/2026	\$75.00	
	PLM35874	Delores Walker	120 Links Dr	4/17/2026	\$75.00	
	PLM35876	Jorene Wickerson	808 S Lide Ave	4/20/2026	\$75.00	
	PLM35895	Diamond C	2703 S Jefferson Ave	4/27/2026	\$56.10	\$700.00
Total	7				\$506.10	\$700.00
Pool	PLS35900	Jean Kirby	2509 Turtle Creek Dr	4/30/2026	\$125.00	
Total	1				\$125.00	
Residential Accessory Building	RAB35859	Juan Ramos	1308 W 6th St	4/8/2026	\$50.00	
	RAB35866	Sean Bradshaw	903 N Lide Ave	4/13/2026	\$50.00	
	RAB35896	Ruben Hernandez	1401 W 7th St	4/27/2026	\$50.00	
Total	3				\$150.00	
Residential Add On or Remodel	HAR35852	Don Woods	408 Hickory St	4/6/2026	\$135.30	
	HAR35882	Maria Andrade	203 Clayton Ave	4/22/2026	\$127.80	
	HAR35886	Ivet Banda	2413 N Jefferson Ave	4/28/2026	\$43.20	
	HAR35891	Kathlee Miller	1600 McMinn Ave	4/23/2026	\$180.00	
	HAR35894	Kai Price	812 Sandlin Ave	4/27/2026	\$313.20	
Total	5				\$799.50	
Roofing	ROOF35869	Shirley Denman	301 N Jefferson Ave	4/13/2026	\$690.25	\$55,000.00
	ROOF35879	Santiago Tinico	202 Redbud Ln	4/21/2026	\$50.00	
Total	2				\$740.25	\$55,000.00
Sign Permit	SGN35846	Pilgrims Bank	2401 S Jefferson Ave	4/14/2026	\$35.00	
	SGN35847	Pilgrim Bank	112 W 16th St	4/14/2026	\$35.00	
	SGN35854	Layne's Chicken	1000 S Jefferson Ave	4/6/2026	\$450.00	\$70,000.00
	SGN35860	Mt. Pleasant City Library	601 N Madison Ave		\$0.00	
	SGN35862	Heritage Housing	2715 S Jefferson Ave	4/9/2026	\$35.00	
	SGN35863	Symmetry Sports	1325 E Ferguson Rd.	4/14/2026	\$150.00	
Total	6				\$705.00	\$70,000.00
Special Event		Cinco de Mayo	1800 N Jefferson	4/20/2026	\$0.00	
Total	1				\$0.00	
Overall Total	50				\$38842.22	\$2,148,898.00

**CITY OF MOUNT PLEASANT
CIVIC CENTER REPORT**

FISCAL YEAR: 2025-2026

MONTH: April 2026

ITEM	THIS MONTH	TOTAL Y.T.D.	THIS MONTH YEAR AGO
ENTIRE CENTER	6	18	7
MAIN HALL	2	14	1
MAIN HALL EAST	1	8	0
MAIN HALL WEST	1	6	2
WALNUT RM.	5	16	5
GOLD RM.	0	1	2
BRONZE RM.	0	1	0
PECAN RM.	0	0	0
V.I.P RM.	0	0	0
KITCHEN	3	12	0
L.S. BUILDING	0	0	0
POULTRY BLD.	1	3	0
TOTAL ROOM USAGE	18	78	17
EST. ATTENDANCE	4,800	5,700	4,200
RENTAL INCOME	\$6,0790	\$56,811	\$5,250

OTHER ACTIVITIES: Mainstreet, SRBA, Family Events

LARGER EVENTS: Lunch and Learn, CINCO, MPISD FFA, Chapel Hill PTO Banquet

Justin Beard
CIVIC CENTER MANAGER

City of Mount Pleasant's
Code Enforcement Monthly Report - By Violation Type
 4/1/2026 to 4/30/2026

	Total Cases	Total Inspections	Door Hangers	Warning Letters	2nd Warning Letters	Certified Letters	Contractor Assigned	Citations	Bills	Liens Filed	Filed Cases in Court
G-SIGN											
Sign Regulations	3	5	2	0	0	0	0	0	0	0	0
Sign Regulations - Business	0	1	0	0	0	0	0	0	0	0	0
JV											
Inoperable Vehicles	21	79	5	8	0	17	0	0	0	0	0
MISC											
Blind Corner	1	2	1	0	0	0	0	0	0	0	0
Stagnant Water	0	1	0	0	0	0	0	0	0	0	0
OS											
Open Storage	9	25	1	6	1	2	2	0	0	0	3
PM											
Property Maintenance	12	19	1	11	0	0	0	0	0	1	2
TR											
Trash and Rubbish	9	28	5	5	1	0	2	0	3	0	1
WG											
Growth Over Curb	1	2	1	0	0	0	0	0	0	0	0
Weeds and Grass	26	57	10	14	0	2	3	0	12	0	0
ZONING											
Zoning	2	2	0	0	0	2	0	0	0	0	0
Overall Totals	84	221	26	44	2	23	7	0	15	1	6

Code Finances

Code Bills Sent \$358.00
 Assign to Contractor \$358.00
 Bills Paid \$121.00
 Liens Filed \$0.00

Food Permits
Pool Permits

\$568.80
\$800.00



Mount Pleasant Fire Department Monthly Report April 2026

NFIRS Incident Type	NERIS Incident Types	Reported Month 25-26	YTD 25-26	Reported Month 24-25	YTD 24-25
Fires					
100-Fire, other 150-Outside rubbish fire, other 151-Outsid rubbish, trash or waste fire 152-Garbage dump or landfill fire 160-Special outside fire, other 161-Outside Storage Fire	Fire - Outside Fire - Other Outside Fire	10	59	2	6
111-Building Fire 121-Fire in mobile home 123 Fire in portable building	Fire - Structure Fire - Structural Involvement	1	17	2	28
113-Cooking fire, confined to container	Fire - Structure Fire - Confined Cooking / Appliance Fire		5		4
114- Chimney or flute fire, contained to chimney	Fire - Structure Fire - Chimney Fire				
118-Trash or rubbish fire, contained	Fire - Outside Fire - Trash / Rubbish Fire		1		
122-Fire in motor home, camper, rec vehicle 137-Camper or RV fire	Fire - Transportation Fire - Vehicle Fire - RV		1		2
131-Passenger vehicle fire	Fire - Transportation Fire - Vehicle Fire - Passenger		5	2	10
132-Road freight or transport vehicle fire 138-Off road/heavy equipment fire	Fire - Transportation Fire - Vehicle Fire - Commercial		3	1	7
134-Water vehicle fire	Fire - Transportation Fire - Boat / Personal Watercraft / Barge Fire				1
135-Aircraft Fire	Fire - Transportation Fire - Aircraft Emergency				
141-Forest, woods, or wildland fire	Fire - Outside Fire - Vegetation / Grass Fire	3	60	2	66
154-Dumpster fire	Fire - Outside Fire - Dumpster / Other Outdoor Container Fire		3		



Mount Pleasant Fire Department Monthly Report April 2026

NFIRS Incident Type	NERIS Incident Types	Reported Month 25-26	YTD 25-26	Reported Month 24-25	YTD 24-25
163-Outside gas or vapor combustion explosion	Fire - Special Fire - Explosion				
OverPressure Rupture, Explosion, Overheat (NO					
220-Overpressure rupture, other	Hazardous Situation - Overpressure - Rupture Without Fire				
Rescue & EMS					
311-Vehicle accident, patient care only	Hazardous Situation - Hazard Non-Chemical - Motor Vehicle Collision	11	96	12	117
321-EMS 1st Responder call 341-Search for person on land	Medical - Illness - No Appropriate Choice	7	55	3	56
351-Extrication of victim from bldg./structure	Rescue - Structure - Extrication / Entrapped			1	2
352-Extrication of victim from vehicle	Rescue - Transportation (Land) - Motor Vehicle Collision Extrication / Entrapment		11	1	12
353-Removal of victim from stalled elevator	Rescue - Structure - Elevator / Escalator Rescue				
356-High-Angle Rescue	Rescue - Outside - High Angle Rescue		2		
357-Extrication of victim(s) from machinery	Medical - Injury / Trauma - Industrial Accident/Inaccessible Incident/Other Entrapment (Non-Vehicle)		1		
361- Swimming / Rec Water Rescue 363-Swift water rescue	Rescue - Water - Person in Water (Swiftwater/River)				
365-Water Craft rescue	Rescue - Water - Watercraft in Distress				
Hazardous Condition (NO FIRE)					
411-Gasline or other flammable liquid spill	Hazardous Situation - Hazardous Materials - Fuel Spill / Fuel Odor	1	3		7



Mount Pleasant Fire Department Monthly Report April 2026

NFIRS Incident Type	NERIS Incident Types	Reported Month 25-26	YTD 25-26	Reported Month 24-25	YTD 24-25
412-Gas leak	Hazardous Situation - Hazardous Materials - Gas Leak / Gas Odor	3	12		8
424-Carbon monoxide incident	Public Service - Alarms (Non Medical) - CO Alarm	1	4	1	2
444-Power line down	Hazardous Situation - Hazard Non-Chemical - Electrical Power Line Down / Arching / Malfunction	2	20		21
445-Arcing, shorted electrical equipment	Hazardous Situation - Hazard Non-Chemical - Electrical Hazard / Short Circuit	1	8	1	16
461-Bldg/Structure weakened or collapse	Rescue - Structure - Building Collapse / Structure Collapse	1	1		
Service Calls					
531-Smoke or odor removal	No Emergency - Good Intent - Smoke From Nonhostile Source (Smoke Scare)		14	3	15
542-Animal rescue	Public Service - Citizen Assist - Citizen Assist / Service Call		11		3
551-Assist police	Law Enforcement Support	2	7	3	4
Good Intent Calls					
600-Good intent call, other 622-No incident found at address	No Emergency - Good Intent - No Incident Found Upon Arrival / Location Error	2	53	11	48
611-Dispatched & cancelled enroute	No Emergency - Cancelled	1	24	3	10
631-Authorized controlled burn	No Emergency - Good Intent - Controlled Burning (Authorized)		19	2	18



Mount Pleasant Fire Department Monthly Report April 2026

NFIRS Incident Type	NERIS Incident Types	Reported Month 25-26	YTD 25-26	Reported Month 24-25	YTD 24-25
650 – Steam, other gas mistaken for smoke	Hazardous Situation - Investigation - Smoke Investigation		7		
651-Smoke scare, odor of smoke	Hazardous Situation - Investigation - Odor	2	7	3	15
False Alarms					
700-False alarm or false call, other	No Emergency - False Alarm - Other False Call	4	44	5	46
710-Malicious false alarm 721- Bomb Scare - No Bomb	No Emergency - False Alarm - Bomb Scare				
733-Smoke detector malfunction	No Emergency - False Alarm - Malfunctioning Alarm	2	17	3	9
745-Alarm System activation, unintentional	No Emergency - False Alarm - Accidental Alarm	2	37	3	22
Severe Weather & Natural Disaster					
800-Severe weather or natural disaster, other	Public Service - Disaster / Weather - Weather Response	1	2	1	1
Special Incidents					
911-Citizen complaint	No Emergency - Good Intent - Controlled Burning (Authorized)	2	8		8
TOTALS		59	617	65	564

ITEM/ACTIVITY	THIS MONTH	TOTAL YTD	THIS MONTH YEAR AGO	TOTAL YEAR AGO
CIRCULATION OF MATERIALS	5,194	36,862	5,062	36,512
Adult Books	1,311	9,222	1,428	9,265
Youth Books	2,049	15,062	1,819	14,527
Espanol Books	245	1,723	205	1,380
Audio Books -- Adult	65	549	131	720
Audio Books -- Juvenile	35	261	51	243
Magazines	59	152	17	129
Videos & DVDs	658	4,681	626	4,920
Uncataloged Items	33	161	30	120
Ebooks	723	4,814	709	4,854
Interlibrary Loan Requests/Patrons	3	55	12	82
Interlibrary Loan Requests/Libraries	13	182	34	272
COLLECTION DEVELOPMENT	175	974	229	1,470
Books Added to Collection	157	774	193	1,239
AV Added to Collection	18	200	36	231
Total Number of Items in Collection	32,425	32,425	32,409	32,409
MEMBERSHIP				
Library Membership--County	25	238	37	244
Library Membership--Out-of-County	7	63	3	51
TexShare Membership--County	1	3	0	2
TexShare Membership--Out-of-County	2	11	1	16
Total Number of Registered Borrowers	20,595	20,595	19,668	19,668
FEES COLLECTED	\$1,602.75	\$17,004.08	\$2,735.40	\$17,065.48
Fines Collected for Month	\$339.25	\$2,059.50	\$343.25	\$2,239.18
Out-of-County Membership Fee	\$140.00	\$1,320.00	\$60.00	\$1,040.00
Copies / Misc. / Forms / Coin copier	\$843.75	\$5,533.66	\$761.40	\$6,060.85
Interlibrary Loan Fees Collected for Month	\$20.00	\$120.00	\$16.00	\$132.00
Contributions / Memorials / Summer Programs	\$122.25	\$6,851.47	\$1,472.75	\$6,376.50
Book Replacement & Damage Fees	\$137.50	\$1,119.45	\$82.00	\$1,216.95
LIBRARY SERVICES				
Computer Users-Sessions	428	2,965	374	2,890
TexShare Database Users	7	94	8	76
Programs Offered-Children's	24	109	29	157
Programs Offered --Adult	9	79	10	115
Program Attendance-Children	498	3,758	465	3,743
Program Attendance-Adults	62	607	44	278
MISC.				
Patrons Entering Library	3,579	25,330	3,237	24,327
Patrons Entering Museum	312	2,674	312	2,522
Facebook Visits	1,042	11,682	1,168	15,564
Volunteer Hours	53.5	182.5	33	157.25

Program: Preschool Story Time, Chick Fil'A Story Time, Paws to Read, Play Learn Grow, Silent Book Club, Friends of the Library Scholarships, Stealth Programs, Preschool Outreach, Adult Crafts, Volunteer Evening, Family Night: Carnival, Pushin' the Limits BC: Different Ecosystems, Baby Day, Free Legal Aid, Book Club, Senior Outreach

Lupe Herrera, Director

MOUNT PLEASANT POLICE DEPARTMENT MONTHLY REPORT 2026

NIBRS - APRIL	2026 This Month	Prior Month	Month to Month % Change	2026 Total YTD	2025 Year Ago This Month	2025 Total Prior YTD	2025/2026 # YTD + or -	2026 % Change YTD From 2025
CRIMINAL HOMICIDE	0	0	0%	0	0	0	0	0%
MANSLAUGHTER BY NEGLIGENCE	0	0	0%	0	0	0	0	0%
FORCIBLE RAPE	1	1	0%	6	3	5	1	20%
RAPE BY FORCE	1	1	0%	6	3	5	1	20%
ATTEMPTS TO COMMIT	0	0	0%	0	0	0	0	0%
ROBBERY	1	0	100%	1	0	0	1	100%
FIREARM	1	0	100%	1	0	0	1	100%
KNIFE OR CUTTING INSRT.	0	0	0%	0	0	0	0	0%
OTHER DANGEROUS WEAPON	0	0	0%	0	0	0	0	0%
STRONG ARM	0	0	0%	0	0	0	0	0%
ASSAULT	13	19	-32%	72	17	66	6	9%
FIREARM	1	1	0%	3	0	8	-5	-63%
KNIFE OR CUTTING INSRT.	0	4	-100%	5	0	0	5	500%
OTHER DANGEROUS WEAPON	0	0	0%	2	0	1	1	100%
HANDS, FIST, FEET-AGG INJ	0	0	0%	0	0	1	-1	-100%
OTHER ASSAULT NOT AGG	12	14	-14%	62	17	56	6	11%
BURGLARY	0	2	-100%	11	5	14	-3	-21%
RESIDENTIAL	0	0	0%	1	1	4	-3	-75%
NON RESIDENTIAL	0	0	0%	5	4	7	-2	-29%
VEHICLE	0	2	-100%	5	0	3	2	67%
THEFT (NOT VEHICLE)	23	15	53%	71	27	128	-57	-45%
MOTOR VEHICLE THEFT	0	2	-100%	2	2	9	-7	-78%
AUTO	0	0	0%	0	2	8	-8	-100%
TRUCKS AND BUSES	0	2	-100%	2	0	0	2	200%
OTHER VEHICLES	0	0	0%	0	0	1	-1	-100%
Total UCR	38	39	-3%	163	54	222	-59	-27%

MOUNT PLEASANT POLICE DEPARTMENT MONTHLY REPORT 2026

TRAFFIC	2026 This Month	Prior Month	Month to Month % Change	2026 Total YTD	2025 Year Ago This Month	2025 Total Prior YTD	2025/2026 # YTD + or -	2026 % Change YTD From 2025
CITATIONS ISSUED	193	180	7%	767	263	1026	-259	-25%
WARNINGS ISSUED	430	348	24%	1425	489	1732	-307	-18%
TOTAL ACCIDENTS	41	46	-11%	184	48	164	20	12%
FATAL ACCIDENTS	0	2	-100%	2	0	0	2	200%
INJURY ACCIDENTS	8	17	-53%	49	18	57	-8	-14%
DWI CASES	5	10	-50%	28	14	47	-19	-40%

911 CENTER	2026 This Month	Prior Month	Month to Month % Change	2026 Total YTD	2025 Year Ago This Month	2025 Total Prior YTD	2025/2026 # YTD + or -	2026 % Change YTD From 2025
911 CALLS RECEIVED	1202	1374	-13%	4986	1085	4919	67	1%
FAMILY VIOLENCE	9	7	29%	37	9	42	-5	-12%

***TOTAL ACCIDENT NUMBERS ARE SUBJECT TO CHANGE**

PLANNING ZONING
MONTHLY REPORT
APRIL 2025-2026

Type	Case #	Name	Property	Fees Due	Date Paid
Minor Plats					
Total					
Site Plans					
Total					
Final Plat					
Filing Fee					
Total					
Replat	RP-2026-01	Roberto Canada	City Blk 228 A lot 1 2 4	\$ 250.00	
Filing Fee				\$ 120.00	
Total	1			\$ 370.00	04/15/26
Zoning	Z-2026-01	Jyl Johnson Cano	Lot 3B Block 156	\$ 250.00	04/13/26
	Z-2026-02	Jose DeLaRosa	Mt. Pleasant City Blk 124 Lot 1C	\$ 250.00	04/14/26
Total	2			\$ 500.00	
Variances & Appeals	BOA-2026-2-V	Jose Vega	Mt. Pleasant City blk 174 Lot 3	\$ 250.00	04/07/26
	BOA-2026-3-V	Josoe Cruz	Mt. Pleasant City Blk 311B Lot 1A-2	\$ 250.00	
Total	2			\$ 500.00	
Street Closure					
Total					
Preliminary Pre-plat					
Total					
Grand Total	5			\$ 1,370.00	
Year to Date	17			\$ 4,970.00	


Director of Development Services

**MONTHLY REPORT
PUBLIC WORKS DIVISION
CITY OF MOUNT PLEASANT**

Fiscal Year 2025-2026

Month April 2026

STREET DEPARTMENT	THIS MONTH	TOTAL YTD	MONTH YEAR AGO	TOTAL YEAR AGO
Work Orders Received	8	51	18	120
Work Orders Completed	8	51	18	120
Patching Materials Used (Tons)	16	92	15	143
Hours Mowing	40	72	24	34
Hours Sweeping (320 hrs.)/Edging	128	924	320	1942
Crack Seal (400 hrs.)	0	0	0	0
Grass Spaying	24	64	16	16

PARKS DEPARTMENT

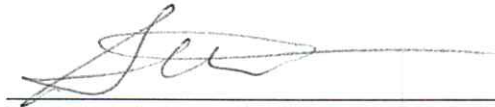
SOLID WASTE DIVISION

This Month 85,150 C.Y. 29,060.18 Tons

This Month Year Ago 64,919 C.Y. 19,513.83 Tons

Total YTD 453,287 C.Y. 157,579.78 Tons

Total Year Ago 599,649 C.Y. 143,046.09 Tons



Garrett Houston, Director of Public Works

City of Mount Pleasant Utility Department

Fiscal Year: 2025-2026

Month: April 2026

<u>Wastewater Treatment Division</u>	This Month	This Month Year Ago
Average Flow Tested	2.056 MGD	2.954 MGD
Maximum Flow Treated	3.350 MGD	4.833 MGD

Comments:

<u>Water Treatment Division</u>	This Month	This Month Year Ago
300 Lakewood Location:		
Average Flow Treated	5.537 MGD	4.694 MGD
Maximum Flow Treated	7.166 MGD	5.553 MGD

510 CR 2300 Location:		
Average Flow Treated	1.396 MGD	1.546 MGD
Maximum Flow Treated	2.274 MGD	2.31 MGD

Calendar Year Raw Water Usage	AC/FT YTD	AC/FT YTD Year Ago
Lake Bob Sandlin – Allotment 7,000 AC/FT	1910.38 acre feet	154.62 acre feet
Lake Cypress Springs – Allotment 3,598 AC/FT	0 acre feet	2294 acre feet
Lake Tankersley – Allotment 3,000 AC/FT	0 acre feet	0 acre feet

Comments:

<u>Utility Maintenance Division</u>	This Month	This Month Year Ago
Work Orders		
Water	11	8
Sewer	25	26
Work Orders Completed	36	34



 Erin Marshall, Utilities Director

**MONTHLY REPORT
PUBLIC WORKS DIVISION
CITY OF MOUNT PLEASANT**

Fiscal Year 2025-2026

Month April 2026

<u>STREET DEPARTMENT</u>	<u>THIS MONTH</u>	<u>TOTAL YTD</u>	<u>MONTH YEAR AGO</u>	<u>TOTAL YEAR AGO</u>
Work Orders Received	<u>8</u>	<u>51</u>	<u>18</u>	<u>120</u>
Work Orders Completed	<u>8</u>	<u>51</u>	<u>18</u>	<u>120</u>
Patching Materials Used (Tons)	<u>16</u>	<u>92</u>	<u>15</u>	<u>143</u>
Hours Mowing	<u>40</u>	<u>72</u>	<u>24</u>	<u>34</u>
Hours Sweeping (320 hrs.)/Edging	<u>128</u>	<u>924</u>	<u>320</u>	<u>1942</u>
Crack Seal (400 hrs.)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Grass Spaying	<u>24</u>	<u>64</u>	<u>16</u>	<u>16</u>

PARKS DEPARTMENT

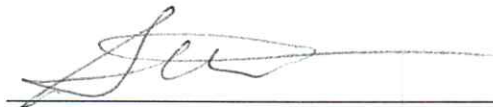
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Garrett Houston, Director of Public Works

City of Mount Pleasant Utility Department

Fiscal Year: 2025-2026

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Maximum Flow Treated	3.350 MGD	4.833 MGD

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Work Orders		
Water	11	8
Sewer	25	26
Work Orders Completed	36	34

Erin Marshall, Utilities Director



AGENDA ITEM REPORT

Meeting: City Council - May 19 2026

Staff Contact: Lea Ream, City Attorney

Department:

Subject: Discuss and consider the settlement of City of Mount Pleasant v. Ginger Lou Redfearn McDonald, cause No. 43310, Titus County, Texas
