



City of Mount Pleasant, Texas

*Annual Comprehensive
Financial Report*

For the Year Ended September 30, 2022

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City of Mount Pleasant, Texas

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September 30, 2022

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July 14, 2023

To the Honorable Mayor and City Council,

I am pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Mount Pleasant, Texas for the fiscal year ended September 30, 2022. Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects. The data is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. To enable the reader to gain an understanding of the City's financial activities, all necessary disclosures have been included.

The 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 introductory section includes this transmittal letter, the City's organizational chart, and a list of principal officials. The financial section includes the independent auditor's report, the management's discussion and analysis (MD&A), the government-wide and fund financial statements, notes to the basic financial statements, required supplemental information, and other supplemental information. The statistical section includes selected financial and demographic information which is presented on a multi-year basis.

The 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.

THE REPORTING ENTITY

The City was incorporated on September 17, 1900 under the provision of H.B. 901 of the Texas legislature. The City operates under a council-manager form of government. The City provides a full range of municipal services authorized by statute or charter. These services include police and fire protection, water and wastewater services, the construction and maintenance of streets, infrastructure and other related facilities, code enforcement, building inspections, parks and recreation, library, public improvements, planning and zoning, economic development, and general administrative services.

The ACFR includes all funds of the City. This report includes all government activities, organizations and functions for which the City is financially accountable. The criteria used in determining activities to be reported within the City's basic financial statements are based upon and consistent with those set forth by the GASB. Based upon these criteria, the Industrial Development Corporation (IDC) is a discretely presented component unit.

FINANCIAL PLANNING AND FISCAL POLICIES

The City continues to update the master plans to guide the City's long-term growth and financial planning. Significant master planning activity includes: 1) comprehensive land use and thoroughfare plan, 2) parks master plan, and a 3) strategic plan.

Utilizing these plans, the City annually updates a five-year capital improvement plan. The City also maintains a police and fire department staffing plan as part of the strategic plan. These plans are used to determine budget allocations to the various departments and activities of the City.

The City's fiscal management policy requires a minimum fund balance for numerous funds. The fund balance reserve plan guides the City in meeting the fund balance reserves for each of the funds.

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 loss, theft, or misuse. 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 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.

OTHER INFORMATION

Independent Audit:

The City Charter requires an annual audit of the books of account financial records and transactions of all departments of the City. The City charter specifies that such an audit be conducted by independent auditors selected by the City Council. 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.

Certificate of Achievement:

This is the third year the City has submitted their annual financial report ("ACFR") to be reviewed for the Certificate of Achievement. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports.

To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized ACFR, whose contents conform to program standards. Such ACFR must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year

ACKNOWLEDGEMENTS

The preparation of the ACFR was made possible by the dedicated service of the entire staff of the finance department and our independent auditors. I would like to express 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,

A handwritten signature in cursive script that reads "Ed Thatcher".

Ed Thatcher
City Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Mount Pleasant
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morill

Executive Director/CEO



CITY OFFICIALS

Tracy Craig

Tim Dale

Jerry Walker

Sherri Spruill

Galen Adams

Henry N Chappell II

Ed Thatcher

Mayor

Mayor ProTem

Council Member

Council Member

Council Member

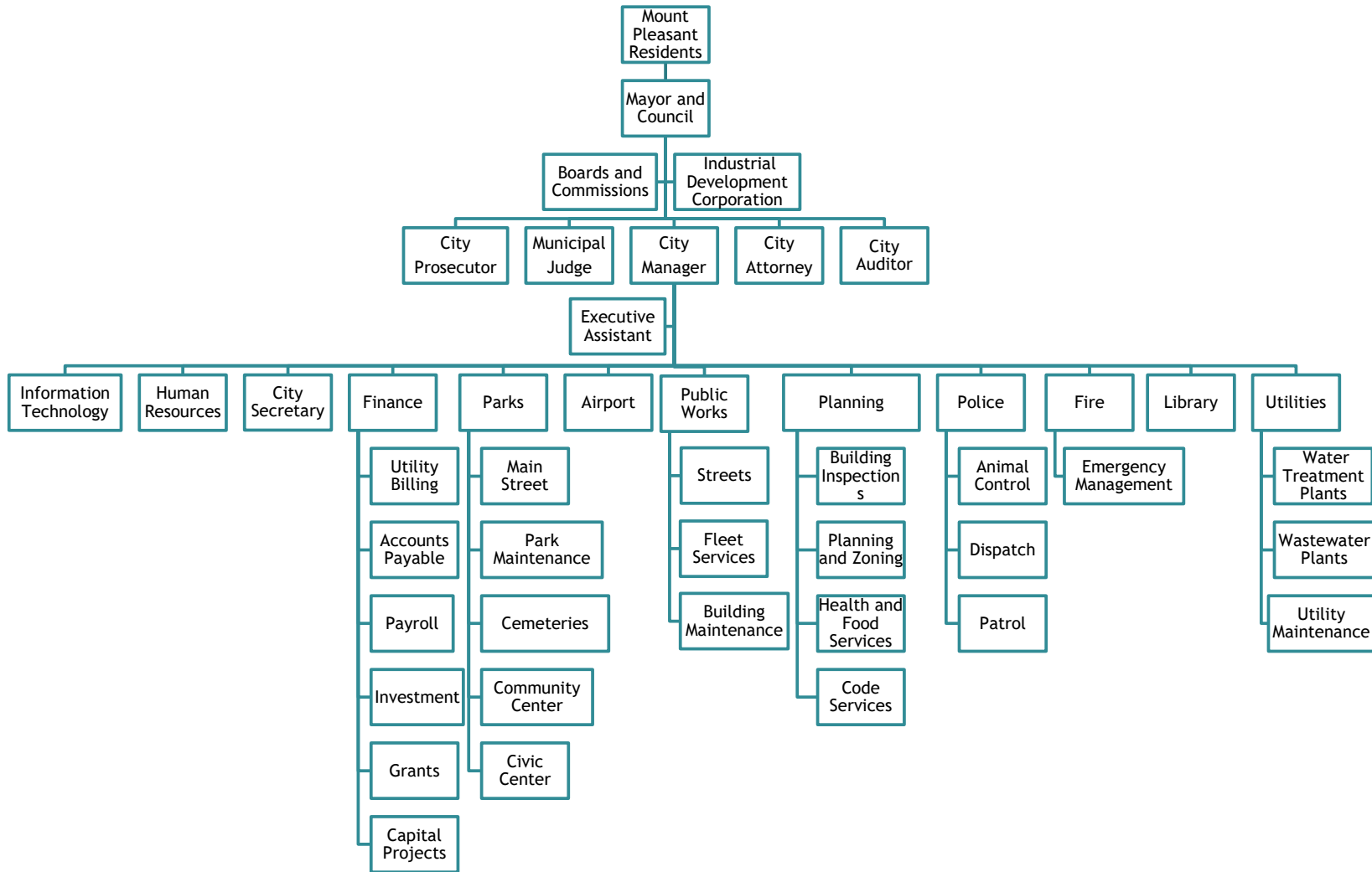
Council Member

City Manager

City Mailing Address: City of Mount Pleasant
501 N. Madison
Mount Pleasant, TX 75455

City Telephone:(903) 575-4000

City of Mount Pleasant Organization Chart



FINANCIAL SECTION



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, 2022, 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, 2022, and the respective changes in financial position 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City of Mount Pleasant, Texas and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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, due to the implementation of GASB Statement No. 87, *Leases*, the City restated beginning net position for governmental activities to recognize lease liabilities and right-to-use assets. In addition, the City restated beginning net position for business-type activities to correct prior year accumulated depreciation. 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.



Brooks Watson & Co.
Certified Public Accountants
Houston, Texas
July 14, 2023

*MANAGEMENT'S DISCUSSION
AND ANALYSIS*

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City of Mount Pleasant, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

September 30, 2022

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, 2022.

Financial Highlights

- The City's total combined net position was \$67,561,630 at September 30, 2022. Of this, \$3,248,520 (unrestricted net position) may be used to meet the City's ongoing obligations to its citizens and creditors.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$10,300,402, an increase of \$1,379,031.
- As of the end of the year, the unassigned fund balance of the general fund was \$1,334,139 or 9% of total general fund expenditures.
- The City had an overall increase in net position of \$80,601, which is considered minimal.

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, 2022

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 sixteen 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, police seizures, rural development, police, library, PEG, capital replacement, firemen's fund, and park improvements 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

City of Mount Pleasant, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2022

government-wide financial statements. The City uses enterprise funds to account for its water 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 Industrial Development District ("MPIDD") 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 \$67,561,630 as of September 30, 2022.

The largest portion of the City's net position, \$56,707,765, 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.

Current and other assets of Business-Type Activities as of September 30, 2022 and September 30, 2021 were \$58,790,048 and \$65,440,793, respectively. The decrease of \$6,650,745 was primarily due to available cash on hand being spent on capital asset investments and current year debt service payments.

City of Mount Pleasant, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2022

Capital assets of Business-Type Activities as of September 30, 2022 and September 30, 2021 were \$65,098,735 and \$59,923,728, respectively. The increase of \$5,175,007 was primarily due to utility service infrastructure investments in the current year.

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	2022			2021		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 11,331,122	\$ 58,790,048	\$ 70,121,170	\$ 10,484,157	\$ 65,440,793	\$ 75,924,950
Capital assets, net	39,930,497	65,098,735	105,029,232	40,095,602	59,923,728	100,019,330
Total Assets	51,261,619	123,888,783	175,150,402	50,579,759	125,364,521	175,944,280
Deferred Outflows	1,932,487	450,095	2,382,582	1,330,085	309,115	1,639,200
Other liabilities	2,965,107	3,681,373	6,646,480	3,035,356	3,920,847	6,956,203
Long-term liabilities	20,834,107	79,550,365	100,384,472	21,205,751	80,850,678	102,056,429
Total Liabilities	23,799,214	83,231,738	107,030,952	24,241,107	84,771,525	109,012,632
Deferred Inflows	2,384,289	556,113	2,940,402	878,904	210,915	1,089,819
Net Position:						
Net investment in capital assets	21,711,153	34,996,612	56,707,765	23,697,005	39,037,742	62,734,747
Restricted	7,605,345	-	7,605,345	4,737,541	-	4,737,541
Unrestricted	(2,305,895)	5,554,415	3,248,520	(1,644,713)	1,653,454	8,741
Total Net Position	\$ 27,010,603	\$ 40,551,027	\$ 67,561,630	\$ 26,789,833	\$ 40,691,196	\$ 67,481,029

City of Mount Pleasant, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2022

Statement of Activities:

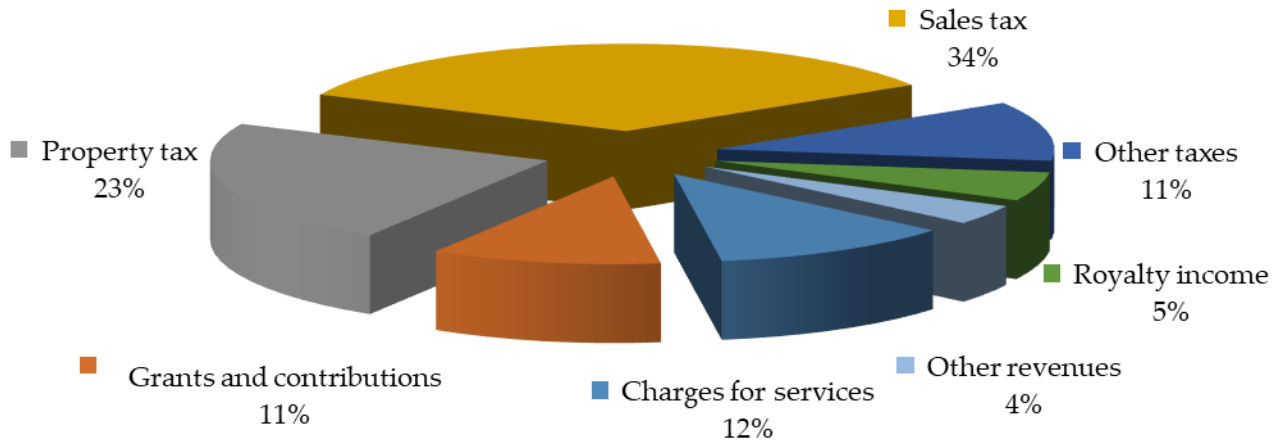
The following table provides a summary of the City's changes in net position:

	For the Year Ended September 30, 2022			For the Year Ended September 30, 2021		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
			Primary Government			Primary Government
Revenues						
Program revenues:						
Charges for services	\$ 2,187,431	\$ 15,672,783	\$ 17,860,214	\$ 2,045,129	\$ 13,037,977	\$ 15,083,106
Grants and contributions	2,075,014	129,182	2,204,196	4,185,189	259,500	4,444,689
General revenues:						
Property tax	4,336,425	-	4,336,425	4,206,268	-	4,206,268
Sales tax	6,435,353	-	6,435,353	5,834,265	-	5,834,265
Other taxes	2,066,045	-	2,066,045	2,119,057	-	2,119,057
Royalty income	1,000,794	-	1,000,794	758,028	-	758,028
Investment income	81,218	427,420	508,638	24,211	28,894	53,105
Other revenues	606,340	296,079	902,419	410,709	384,323	795,032
Total Revenues	18,788,620	16,525,464	35,314,084	19,582,856	13,710,694	33,293,550
Expenses						
General government	3,573,865	-	3,573,865	3,401,920	-	3,401,920
Public safety	9,406,770	-	9,406,770	9,156,779	-	9,156,779
Public works	3,859,438	-	3,859,438	2,844,387	-	2,844,387
Parks and recreation	2,910,578	-	2,910,578	1,916,968	-	1,916,968
Water & sewer	-	11,652,512	11,652,512	-	11,442,567	11,442,567
Airport	-	1,624,193	1,624,193	-	1,355,083	1,355,083
Interest & fiscal charges	523,361	1,682,766	2,206,127	431,244	1,857,266	2,288,510
Total Expenses	20,274,012	14,959,471	35,233,483	17,751,298	14,654,916	32,406,214
Change in Net Position						
Before Transfers	(1,485,392)	1,565,993	80,601	1,831,558	(944,222)	887,336
Transfers in (out)	1,706,162	(1,706,162)	-	1,079,973	(1,079,973)	-
Total	1,706,162	(1,706,162)	-	1,079,973	(1,079,973)	-
Change in Net Position	220,770	(140,169)	80,601	2,911,531	(2,024,195)	887,336
Beginning Net Position	26,789,833	40,691,196	67,481,029	23,878,302	42,715,391	66,593,693
Ending Net Position	\$ 27,010,603	\$ 40,551,027	\$ 67,561,630	\$ 26,789,833	\$ 40,691,196	\$ 67,481,029

City of Mount Pleasant, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2022

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

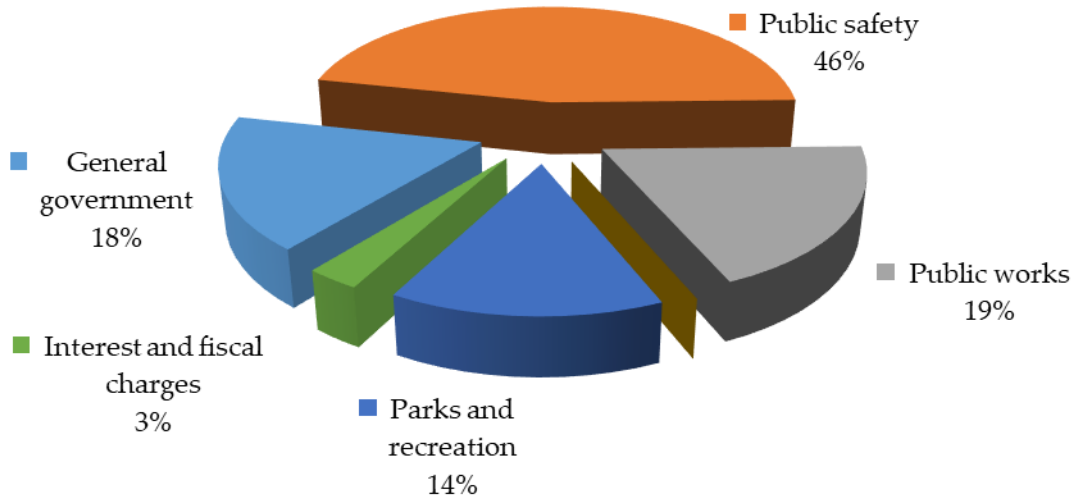


For the year ended September 30, 2022, revenues from governmental activities totaled \$18,788,620. Overall revenues decreased by \$794,236 or 4%. Sales tax and property tax are the City's largest revenue sources. Grants/contributions decreased by \$2,110,175 or 50% primarily due to nonrecurring CARES Act grant funds and contributions received in the prior year. Sales taxes increased by \$601,088 or 10% due to increased economic growth and development. Investment income increased by \$57,007 or 107% primarily due to the realization of higher interest rates. Other revenues decreased by \$195,631 or 48% as a direct result of an increase in sale of capital assets in the current year. All other revenues remained relatively consistent with the previous year.

City of Mount Pleasant, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2022

This graph shows the governmental function expenses of the City:

Governmental Activities - Expenses

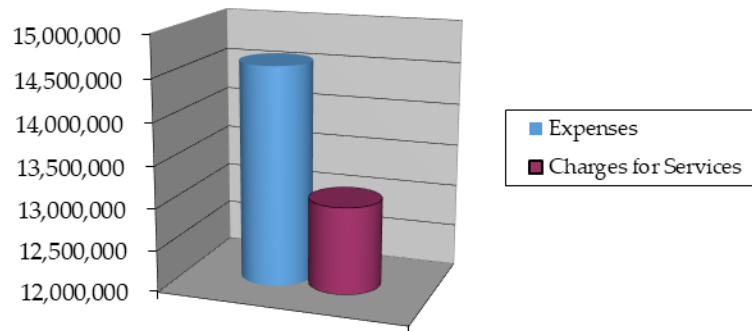


For the year ended September 30, 2022, expenses for governmental activities totaled \$20,274,012. This represents an increase of \$2,522,714 or 14% from the prior year. The City's largest functional expense is public safety of \$9,406,770, which remained consistent with the prior year. Public works expenses increased by \$1,015,051 or 36%, primarily due to two new department hires and nonrecurring building maintenance and contractual engineering fees compared to the prior year. Parks and recreation expenses increased by \$993,610 or 52% primarily due to greater operating and personnel expenses resulting from the opening of the City's new sports complex at the end of the prior fiscal year. In addition, the civic center was partially closed during the prior year due to the impacts of COVID-19. Interest and fiscal charges increased by \$92,117 or 21% primarily due to nonrecurring bond issuance costs recognized in the current year. All other expenses remained relatively consistent with the previous year.

City of Mount Pleasant, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2022

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, 2022, charges for services by business-type activities totaled \$15,672,783. This is an increase of \$2,634,806, or 20%, from the previous year. The increase is primarily a result of greater water/sewer consumption and service rate increases over the course of the year.

Total expenses increased by \$304,555, or 2%, from the previous year. Water and sewer expenses remained relatively consistent with the prior year. Interest and fiscal charges decreased primarily due to nonrecurring bond issuance costs recognized in the prior year relating to the issuance of certificates of obligation. The increase in airport expenses was primarily due to greater fuel costs incurred, resulting from increased demand and gas prices in the current 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 \$5,122,666. The general fund reflected an increase of \$1,000,796. This is primarily due to less than anticipated expenditures and greater sales tax revenues and royalties earned compared to the prior year.

The street fund reflected a fund balance of \$625,585, a decrease of \$1,091,494. The decrease is due to greater street repairs/maintenance expenses incurred compared to the prior year.

City of Mount Pleasant, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2022

There was an overall increase in governmental fund balance of \$1,379,031. This is due to revenues and other financing sources exceeding the current year expenditures.

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: \$3,364,000 to revenues, \$2,613,450 to expenditures, and an increase of \$800,000 to transfers (out). These changes primarily related to intergovernmental revenues exceeding estimates, and increases to capital outlay for more anticipated capital investments.

There was a positive budget variance of \$514,342 before other financing sources and uses, and a total positive variance of \$1,050,246 after other financing sources and uses. Total budgeted revenue exceeded actual revenue by \$833,105. Total actual expenditures were \$1,347,447 under budget.

CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested \$39,930,497 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 \$65,098,735 in a variety of capital assets and infrastructure, net of accumulated depreciation.

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

- Continued construction costs for Pilgrims Community Center totaling \$1,256,650.
- New city lake spillway/bridge improvements for \$389,615.
- Basin main sewer line upgrades for \$1,023,929.
- School St. and I-30 storage tank improvements totaling \$644,622.
- Water line updates/replacements for \$1,848,403.
- Downtown light project investments for \$123,750.
- Wastewater treatment plant improvements for \$2,365,433.
- Purchased new vehicles for business-type activities totaling \$640,112.

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

City of Mount Pleasant, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2022

LONG-TERM DEBT

At the end of the current year, the City had total long-term debt principal outstanding of \$95,332,151. During the year, the City made \$2,605,748 in principal payments on outstanding debt. During the current year, the City refunded \$4,350,000 of certificates of obligation. The City issued \$4,457,000 of general obligation bonds in the current year. 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 City Council approved a tax rate for the FY 2023 Budget of 36.0285 cents per \$100 of assessed value – a reduction of 0.1715 cents per \$100. Assessed value increased \$205,404,415 or 17.6% over the prior year's value. The City Council was able to maintain a low stable tax rate and prepare for the City's future obligations while adhering to the long and short-term operational plan as the result of taking a fiscally conservative approach to City services. The tax rate provides an anticipated revenue increase in the tax levy for both operations and debt service commitments. Of the new tax rate, 26.4305 cents or 73% is dedicated to maintenance and operations and 9.598 cents or 27% is dedicated to debt service. The City's largest single source of revenue in the General Fund is Sales Tax, making up 44% of total revenue. The budget for Sales Tax revenue increased 10% over the prior year's budget.

The City realized an increase in sales tax revenue and ad valorem tax revenue of \$596,575 and \$198,064, respectively in the General Fund. The budget includes funding for market and step adjustments to salaries; additional fire department staff; and operations and maintenance of governmental programs.

Debt Service Fund revenue increased \$484,586 as the result of a 2.618 cent increase in the I&S tax rate combined with an increase in assessed value. The revenue allocated to this fund is used to pay the City's annual debt service obligations.

The Utility Fund Budget for the purchase of raw water increased \$431,000 and treatment of raw water increased \$96,000. Budgets for wastewater treatment and debt service remained stable. The cost of solid waste management increased \$130,000.

Future operational and capital improvement budgets and rate planning will be of utmost importance as the City continues to grow. The City will continue to work toward diversifying its revenue base with emphasis on development within the guidelines of the current Comprehensive Master plan.

City of Mount Pleasant, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2022

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.

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FINANCIAL STATEMENTS

City of Mount Pleasant, Texas
STATEMENT OF NET POSITION (Page 1 of 2)
September 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 3,790,067	\$ 1,566,230	\$ 5,356,297
Investments	-	249,000	249,000
Restricted cash	5,881,438	55,658,294	61,539,732
Prepaid items	-	1,906	1,906
Due from component unit	-	-	-
Receivables, net	1,612,929	1,361,306	2,974,235
Internal balances, net	46,688	(46,688)	-
Total Current Assets	11,331,122	58,790,048	70,121,170
Capital assets:			
Non-depreciable	3,740,622	14,748,455	18,489,077
Net depreciable capital assets	36,189,875	50,350,280	86,540,155
Total Noncurrent Assets	39,930,497	65,098,735	105,029,232
Total Assets	51,261,619	123,888,783	175,150,402
Deferred Outflows of Resources			
Deferred OPEB outflows	164,646	42,455	207,101
Deferred pension outflows	1,698,674	407,640	2,106,314
Deferred loss on refunding	69,167	-	69,167
Total Deferred Outflows of Resources	1,932,487	450,095	2,382,582

Component Unit

Industrial

Development

District

\$ 7,085,004

-

-

-

-

373,038

-

7,458,042

1,578,076

2,146,328

3,724,404

11,182,446

2,570

28,997

-

31,567

City of Mount Pleasant, Texas
STATEMENT OF NET POSITION (Page 2 of 2)
September 30, 2022

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
<u>Liabilities</u>			
Current liabilities:			
Accounts payable	669,320	1,099,413	1,768,733
Accrued liabilities	279,152	-	279,152
Accrued interest payable	225,346	590,243	815,589
Customer deposits	-	268,135	268,135
Compensated absences, current	673,827	117,011	790,838
Long-term debt due within one year	1,117,462	1,606,571	2,724,033
Total Current Liabilities	2,965,107	3,681,373	6,646,480
Noncurrent liabilities:			
Compensated absences, noncurrent	74,870	13,001	87,871
Long-term debt due in more than one year	16,954,139	78,594,498	95,548,637
Net pension liability	2,597,668	623,377	3,221,045
OPEB liabilities	1,207,430	319,489	1,526,919
Total Noncurrent Liabilities	20,834,107	79,550,365	100,384,472
Total Liabilities	23,799,214	83,231,738	107,030,952
<u>Deferred Inflows of Resources</u>			
Deferred OPEB inflows	108,161	29,593	137,754
Deferred pension inflows	2,194,053	526,520	2,720,573
Deferred gain on refunding	82,075	-	82,075
Total Deferred Inflows of Resources	2,384,289	556,113	2,940,402
<u>Net Position</u>			
Net investment in capital assets	21,711,153	34,996,612	56,707,765
Restricted for:			
Debt service	477,905	-	477,905
Capital projects	3,749,067	-	3,749,067
Community improvements	2,410,816	-	2,410,816
Insurance	262,641	-	262,641
Municipal court	221,865	-	221,865
Development	234,841	-	234,841
Tourism	211,048	-	211,048
Public safety	37,162	-	37,162
Unrestricted	(2,305,895)	5,554,415	3,248,520
Total Net Position	\$ 27,010,603	\$ 40,551,027	\$ 67,561,630

See Notes to Financial Statements.

Component Unit

Industrial

Development

District

34,920

4,591

-

-

5,940

-

45,451

660

-

44,345

18,188

63,193

108,644

1,549

37,455

-

39,004

3,724,404

-

-

7,341,961

-

-

-

-

-

-

\$ 11,066,365

City of Mount Pleasant, Texas

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 3,573,865	\$ 1,439,582	\$ -	\$ -
Public safety	9,406,770	747,849	7,313	-
Public works	3,859,438	-	-	2,067,701
Parks and recreation	2,910,578	-	-	-
Interest and fiscal charges	523,361	-	-	-
Total Governmental Activities	20,274,012	2,187,431	7,313	2,067,701
Business-Type Activities				
Water & sewer	13,335,278	14,565,579	-	-
Airport	1,624,193	1,107,204	129,182	-
Total Business-Type Activities	14,959,471	15,672,783	129,182	-
Total Primary Government	\$ 35,233,483	\$ 17,860,214	\$ 136,495	\$ 2,067,701
Component Unit				
Development District	2,002,264	-	-	-
Total Component Unit Activities	\$ 2,002,264	\$ -	\$ -	\$ -

General Revenues:

- Taxes
 - Property tax
 - Sales tax
 - Franchise tax
 - Mixed beverage taxes
 - Hotel occupancy taxes
- Investment income
- Royalties
- Other revenues
- Gain on sale of capital assets

Transfers:

Total General Revenues and Transfers

Change in Net Position

Beginning Net Position

Ending Net Position

See Notes to Financial Statements.

<u>Net (Expense) Revenue and Changes in Net Position</u>			<u>Component Unit</u>
<u>Primary Government</u>			<u>Industrial</u>
<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>	<u>Development</u>
<u>Activities</u>	<u>Activities</u>		<u>District</u>
\$ (2,134,283)	\$ -	\$ (2,134,283)	\$ -
(8,651,608)	-	(8,651,608)	-
(1,791,737)	-	(1,791,737)	-
(2,910,578)	-	(2,910,578)	-
(523,361)	-	(523,361)	-
<u>(16,011,567)</u>	<u>-</u>	<u>(16,011,567)</u>	<u>-</u>
-	1,230,301	1,230,301	-
-	(387,807)	(387,807)	-
<u>-</u>	<u>842,494</u>	<u>842,494</u>	<u>-</u>
<u>(16,011,567)</u>	<u>842,494</u>	<u>(15,169,073)</u>	<u>-</u>
			(2,002,264)
			<u>(2,002,264)</u>
4,336,425	-	4,336,425	-
6,435,353	-	6,435,353	2,134,378
1,306,453	-	1,306,453	-
36,398	-	36,398	-
723,194	-	723,194	-
81,218	427,420	508,638	30,247
1,000,794	-	1,000,794	-
606,340	296,079	902,419	1,429
-	-	-	325,704
<u>1,706,162</u>	<u>(1,706,162)</u>	<u>-</u>	<u>-</u>
<u>16,232,337</u>	<u>(982,663)</u>	<u>15,249,674</u>	<u>2,491,758</u>
220,770	(140,169)	80,601	489,494
<u>26,789,833</u>	<u>40,691,196</u>	<u>67,481,029</u>	<u>10,576,871</u>
<u>\$ 27,010,603</u>	<u>\$ 40,551,027</u>	<u>\$ 67,561,630</u>	<u>\$ 11,066,365</u>

City of Mount Pleasant, Texas

BALANCE SHEET

GOVERNMENTAL FUNDS (Page 1 of 2)

September 30, 2022

	General Fund	Street Fund	Nonmajor Governmental Funds	Total Governmental Funds
<u>Assets</u>				
Cash and cash equivalents	\$ 553,801	\$ 551,196	\$ 2,685,070	\$ 3,790,067
Restricted cash	3,788,527	-	2,092,911	5,881,438
Receivables, net				
Property taxes	63,722	-	18,526	82,248
Sales taxes	1,119,114	-	-	1,119,114
Other taxes	5,998	-	93,127	99,125
Other receivable	111,217	193,296	6,729	311,242
Intergovernmental receivable	-	-	1,200	1,200
Due from other funds	96,688	-	-	96,688
Total Assets	\$ 5,739,067	\$ 744,492	\$ 4,897,563	\$ 11,381,122
<u>Liabilities</u>				
Accounts payable	\$ 296,404	\$ 96,030	\$ 276,886	\$ 669,320
Accrued liabilities	256,275	22,877	-	279,152
Due to other funds	-	-	50,000	50,000
Total Liabilities	552,679	118,907	326,886	998,472
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - prop. taxes	63,722	-	18,526	82,248
Total Deferred Inflows of Resources	63,722	-	18,526	82,248

See Notes to Financial Statements.

City of Mount Pleasant, Texas

BALANCE SHEET

GOVERNMENTAL FUNDS (Page 2 of 2)

September 30, 2022

	General Fund	Street Fund	Nonmajor Governmental Funds	Total Governmental Funds
<u>Fund Balances</u>				
Restricted for:				
Debt service	\$ -	\$ -	\$ 459,379	\$ 459,379
Community improvements	-	-	2,410,816	2,410,816
Capital replacements	-	-	334,771	334,771
Insurance	-	-	262,641	262,641
Municipal court	221,865	-	-	221,865
Tourism	-	-	211,048	211,048
Development	-	-	234,841	234,841
Capital projects	3,549,952	-	199,115	3,749,067
Public safety	-	-	37,162	37,162
Assigned to:				
Capital projects	-	625,585	-	625,585
Public safety	16,710	-	43,567	60,277
Library	-	-	23,198	23,198
Community improvements	-	-	341,572	341,572
Unassigned	1,334,139	-	(5,959)	1,328,180
Total Fund Balances	5,122,666	625,585	4,552,151	10,300,402
Total Liabilities, Deferred Inflows				
of Resources, and Fund Balances				
	\$ 5,739,067	\$ 744,492	\$ 4,897,563	\$ 11,381,122

See Notes to Financial Statements.

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City of Mount Pleasant, Texas
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
September 30, 2022

Fund Balances - Total Governmental Funds	\$	10,300,402
 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		3,740,622
Capital assets - net depreciable		36,189,875
 Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.		
Property tax receivable		82,248
 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		(82,075)
Deferred loss on refunding		69,167
Pension contributions		947,273
OPEB contributions		5,776
Pension difference in experience		727,287
Pension changes in assumptions		24,114
Pension investment earnings		(2,194,053)
OPEB experience - TMRS SDBF		70,132
OPEB experience - Healthcare		(21,512)
OPEB changes in assumptions - TMRS SDBF		88,738
OPEB changes in assumptions - Healthcare		(86,649)
 Some liabilities, including bonds payable and deferred charges are not reported as liabilities in the governmental funds.		
Compensated absences		(748,697)
Accrued interest		(225,346)
Premiums on bonds payable		(701,854)
Non-current liabilities due in one year		(1,117,462)
Non-current liabilities due in more than one year		(16,252,285)
Net pension liability		(2,597,668)
OPEB liability - SDBF		(498,949)
OPEB liability - Healthcare		(708,481)
Net Position of Governmental Activities	\$	27,010,603

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, 2022

	General Fund	Street Fund	Nonmajor Governmental Funds
Revenues			
Property tax	\$ 3,463,589	\$ -	\$ 859,602
Sales tax	6,435,353	-	-
Mixed beverage taxes	36,398	-	-
Hotel occupancy taxes	-	-	723,194
Intergovernmental revenue	2,067,701	-	7,313
License and permits	287,177	-	-
Charges for services	1,152,405	-	-
Fines and forfeitures	747,849	-	-
Franchise tax	-	1,282,063	24,390
Investment income	51,684	8,705	20,829
Royalties	1,000,794	-	-
Other revenues	223,280	5,116	140,087
Total Revenues	15,466,230	1,295,884	1,775,415
Expenditures			
Current:			
General government	2,585,274	-	1,003,231
Public safety	9,027,331	-	61,576
Building maintenance	330,756	-	-
Public works	458,716	1,829,569	-
Parks and recreation	1,582,327	-	522,606
Library	497,044	-	-
Debt service:			
Principal	59,410	421,994	542,866
Interest and fiscal charges	3,210	72,709	445,704
Bond issuance costs	-	73,186	46,000
Capital outlay	306,770	165,873	1,779,712
Total Expenditures	14,850,838	2,563,331	4,401,695
Revenues Over (Under) Expenditures	615,392	(1,267,447)	(2,626,280)

See Notes to Financial Statements.

**Total
Governmental
Funds**

\$ 4,323,191
6,435,353
36,398
723,194
2,075,014
287,177
1,152,405
747,849
1,306,453
81,218
1,000,794
368,483

18,537,529

3,588,505
9,088,907
330,756
2,288,285
2,104,933
497,044

1,024,270
521,623
119,186
2,252,355

21,815,864

(3,278,335)

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, 2022

	General Fund	Street Fund	Nonmajor Governmental Funds
<u>Other Financing Sources (Uses)</u>			
Transfers in	\$ 395,800	\$ 746,000	\$ 1,785,624
Transfers (out)	(121,559)	(677,047)	(422,656)
Refunding bonds issued	-	4,457,000	-
Payment to refunding bond agent	-	(4,350,000)	-
Note payable issuance	111,163	-	1,996,759
Sale of capital assets	-	-	370,673
Lease related issuance	-	-	365,609
Total Other Financing Sources (Uses)	385,404	175,953	4,096,009
Net Change in Fund Balances	1,000,796	(1,091,494)	1,469,729
Beginning fund balances	4,121,870	1,717,079	3,082,422
Ending Fund Balances	\$ 5,122,666	\$ 625,585	\$ 4,552,151

See Notes to Financial Statements.

**Total
Governmental
Funds**

\$	2,927,424
	(1,221,262)
	4,457,000
	(4,350,000)
	2,107,922
	370,673
	365,609
	<hr/> 4,657,366
	1,379,031
	8,921,371
\$	<hr/> <hr/> 10,300,402

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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, 2022

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

Net changes in fund balances - total governmental funds	\$	1,379,031
---	----	-----------

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		2,399,554
Net book value of assets disposed		(132,816)
Depreciation expense		(2,431,843)

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		(137,322)
Accrued interest		(22,019)
Pension expense		633,157
OPEB expense		(63,412)
Amortization of debt premium		214,173

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.

Current year debt issuance		(4,457,000)
Debt refunding - principal change		4,350,000
Current year deferred gain on refunding		(90,283)
Amortization deferred loss/gain on debt refunding		15,577
Note payable issuance		(2,107,922)
Lease related issuance		(365,609)
Principal payments		1,024,270

Change in Net Position of Governmental Activities	\$	220,770
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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, 2022

	Water & Sewer	Airport	Total
<u>Assets</u>			
<u>Current Assets</u>			
Cash and cash equivalents	\$ 1,566,230	\$ -	\$ 1,566,230
Restricted cash - debt service	55,658,294	-	55,658,294
Investments	249,000	-	249,000
Accounts and other receivables, net	1,361,306	-	1,361,306
Prepaid items	1,906	-	1,906
Total Current Assets	58,836,736	-	58,836,736
<u>Noncurrent Assets</u>			
Capital assets:			
Non-depreciable	12,571,410	2,177,045	14,748,455
Net depreciable capital assets	44,806,251	5,544,029	50,350,280
Total Noncurrent Assets	57,377,661	7,721,074	65,098,735
Total Assets	116,214,397	7,721,074	123,935,471
<u>Deferred Outflows of Resources</u>			
Deferred OPEB outflows	38,218	4,237	42,455
Deferred pension outflows	365,888	41,752	407,640
Total Deferred Outflows of Resources	\$ 404,106	\$ 45,989	\$ 450,095

See Notes to Financial Statements.

City of Mount Pleasant, Texas

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

September 30, 2022

	<u>Water & Sewer</u>	<u>Airport</u>	<u>Total</u>
<u>Liabilities</u>			
<u>Current Liabilities</u>			
Accounts payable and accrued liabilities	\$ 1,065,150	\$ 34,263	\$ 1,099,413
Customer deposits	268,135	-	268,135
Compensated absences, current	85,392	31,619	117,011
Long-term debt due within one year	1,600,747	5,824	1,606,571
Accrued interest	590,243	-	590,243
Due to other funds	-	46,688	46,688
Total Current Liabilities	3,609,667	118,394	3,728,061
<u>Noncurrent Liabilities</u>			
Net pension liability	559,529	63,848	623,377
OPEB liabilities	287,894	31,595	319,489
Compensated absences, noncurrent	9,488	3,513	13,001
Debt due in more than one year	78,594,498	-	78,594,498
Total Liabilities	83,061,076	217,350	83,278,426
<u>Deferred Inflows of Resources</u>			
Deferred OPEB inflows	26,700	2,893	29,593
Deferred pension inflows	472,592	53,928	526,520
Total Deferred Inflows of Resources	499,292	56,821	556,113
<u>Net Position</u>			
Net investment in capital assets	27,281,362	7,715,250	34,996,612
Unrestricted	5,776,773	(222,358)	5,554,415
Total Net Position	\$ 33,058,135	\$ 7,492,892	\$ 40,551,027

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, 2022

	Water & Sewer	Airport	Total
<u>Operating Revenues</u>			
Charges for services	\$ 14,436,390	\$ 1,107,204	\$ 15,543,594
Other operating revenue	129,189	-	129,189
Intergovernmental	-	129,182	129,182
Total Operating Revenues	14,565,579	1,236,386	15,801,965
<u>Operating Expenses</u>			
Personnel	2,335,910	247,838	2,583,748
Supplies and services	876,474	718,860	1,595,334
Maintenance	686,157	12,768	698,925
Administrative expenses	5,591,977	49,650	5,641,627
Depreciation	2,145,344	594,522	2,739,866
Total Operating Expenses	11,635,862	1,623,638	13,259,500
Operating Income (Loss)	2,929,717	(387,252)	2,542,465
<u>Nonoperating Revenues (Expenses)</u>			
Investment income	427,420	-	427,420
Interest expense	(1,682,766)	(555)	(1,683,321)
Bond issuance costs	(16,650)	-	(16,650)
Gain on sale of assets	126,633	-	126,633
Other revenue	169,217	229	169,446
Total Nonoperating Revenues (Expenses)	(976,146)	(326)	(976,472)
Income (Loss) Before Transfers	1,953,571	(387,578)	1,565,993
Transfers in	33,369	17,605	50,974
Transfers (out)	(1,750,966)	(6,170)	(1,757,136)
Change in Net Position	235,974	(376,143)	(140,169)
Beginning net position	32,822,161	7,869,035	40,691,196
Ending Net Position	\$ 33,058,135	\$ 7,492,892	\$ 40,551,027

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, 2022

	Water & Sewer	Nonmajor Airport	Total
<u>Cash Flows from Operating Activities</u>			
Receipts from customers	\$ 14,618,288	\$ 1,236,615	\$ 15,854,903
Payments to employees	(2,447,806)	(258,303)	(2,706,109)
Payments to suppliers and contractors	(7,487,671)	(766,165)	(8,253,836)
Net Cash Provided (Used) by Operating Activities	4,682,811	212,147	4,894,958
<u>Cash Flows from Noncapital Financing Activities</u>			
Transfers in from other funds	33,369	17,605	50,974
Transfers (out) to other funds	(1,752,872)	(6,170)	(1,759,042)
Net Cash Provided (Used) by Noncapital Financing Activities	(1,719,503)	11,435	(1,708,068)
<u>Cash Flows from Capital and Related Financing Activities</u>			
Purchase of capital assets	(7,225,625)	(403,754)	(7,629,379)
Proceeds from sale of capital assets	126,633	-	126,633
Principal paid on capital debt	(1,564,428)	(17,050)	(1,581,478)
Proceeds from issuance of debt	463,000	-	463,000
Bond issuance costs	(16,650)	-	(16,650)
Interest paid on capital debt	(1,756,470)	(555)	(1,757,025)
Net Cash Provided (Used) by Capital and Related Financing Activities	(9,973,540)	(421,359)	(10,394,899)
<u>Cash Flows from Investing Activities</u>			
Interest on investments	427,420	-	427,420
Net Cash Provided by Investing Activities	427,420	-	427,420
Net Increase (Decrease) in Cash and Cash Equivalents	(6,582,812)	(197,777)	(6,780,589)
Beginning cash and cash equivalents	64,056,336	197,777	64,254,113
Ending Cash and Cash Equivalents	\$ 57,473,524	\$ -	\$ 57,473,524

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, 2022

	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)	\$ 2,929,717	\$ (387,252)	\$ 2,542,465
Adjustments to reconcile operating income to net cash provided:			
Depreciation	2,145,344	594,522	2,739,866
Changes in Operating Assets and Liabilities:			
(Increase) Decrease in:			
Accounts receivable	(174,626)	-	(174,626)
Deferred outflows/inflows - pension and OPEB	183,508	20,710	204,218
Increase (Decrease) in:			
Accounts payable and accrued liabilities	(333,063)	(31,575)	(364,638)
Due to other funds	-	46,688	46,688
Customer deposits	47,730	-	47,730
Net pension liability	(285,053)	(32,527)	(317,580)
OPEB liability	(20,465)	(2,138)	(22,603)
Compensated absences	10,114	3,490	13,604
Nonoperating income	179,605	229	179,834
Net Cash Provided (Used) by Operating Activities	\$ 4,682,811	\$ 212,147	\$ 4,894,958

Schedule of Non-Cash Capital and Related

Leases	\$ 57,400	\$ -	\$ 57,400
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See Notes to Financial Statements.

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City of Mount Pleasant, Texas

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

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 Industrial Development Corporation ("IDC") 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 Industrial Development Corporation

The City of Mount Pleasant Industrial Development Corporation is governed by a five member board of directors appointed, at will, by the City Council. The Mount Pleasant Industrial Development Corporation ("IDC") 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, 2022

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, 2022

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. This fund is considered a nonmajor fund for reporting purposes.

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.

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.

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

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.

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

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

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 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.

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

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
September 30, 2022

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, 2022

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
September 30, 2022

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
September 30, 2022

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
September 30, 2022

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

14. 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.

15. 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.

16. 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

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

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 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, 2022

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 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.

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

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	\$ 13,395
Construction Bond Fund:	
Total expenditures	\$ 38,818
Street Fund:	
Transfers (out)	\$ 477,047
Total expenditures	\$ 11,637
Hotel/Motel/Civic Center Fund:	
Total expenditures	\$ 180,074
Cemetery Fund:	
Total expenditures	\$ 143,021
Police Seizures Fund:	
Total expenditures	\$ 23,328
Police Fund:	
Total expenditures	\$ 2,748
Capital Replacement Fund:	
Total expenditures	\$ 554,534

B. Deficit Fund Balance

As of September 30, 2022, the cemetery fund had a deficit fund balance of \$5,959. The deficit should be reduced or eliminated in the future with property tax revenue.

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2022, the primary government had the following investments:

<u>Investment Type</u>	<u>Value</u>	<u>Weighted Average Maturity (Years)</u>
External investment pools		
LOGIC	\$ 54,465,621	0.04
Texpool	2,154,382	0.07
TexasTERM	1,006,975	0.06
Certificates of deposits	249,000	0.65
Total fair value	<u>\$ 57,875,978</u>	
Portfolio weighted average maturity		0.20

As of September 30, 2022, 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	\$ 1,513,985	0.07
External investment pool - TexasTERM	2,517,507	0.06
Total fair value	<u>\$ 4,031,492</u>	
Portfolio weighted average maturity		0.06

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, 2022, 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*

September 30, 2022

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, 2022, 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, 2022, 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
September 30, 2022

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, 2022, 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:

	General	Street	Nonmajor Government	Water / Sewer	Total
Property tax	\$ 156,457	\$ -	\$ 18,526	\$ -	\$ 174,983
Sales tax	1,119,114	-	-	-	1,119,114
Franchise tax	-	193,296	6,729	-	200,025
Other	-	-	1,200	5,813	7,013
Hotel occupancy taxes	-	-	93,127	-	93,127
Accounts, net	117,215	-	-	1,573,318	1,690,533
Allowance	(92,735)	-	-	(217,825)	(310,560)
Total	\$ 1,300,051	\$ 193,296	\$ 119,582	\$ 1,361,306	\$ 2,974,235

The following comprise receivable balances of the discretely presented component unit at year end:

	Industrial Development District
Sales tax	\$ 373,038
Total	\$ 373,038

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

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	\$ 2,090,535	\$ 10,094	\$ -	\$ 2,100,629
Construction in progress	8,516,523	1,465,390	(8,341,920)	1,639,993
Total capital assets not being depreciated	<u>10,607,058</u>	<u>1,475,484</u>	<u>(8,341,920)</u>	<u>3,740,622</u>
Capital assets, being depreciated:				
Buildings	11,413,786	-	-	11,413,786
Improvements	10,949,306	379,055	7,715,490	19,043,851
Infrastructure	26,417,272	-	626,430	27,043,702
Machinery	6,846,483	148,072	(66,625)	6,927,930
Vehicles	3,872,494	-	(546,936)	3,325,558
Right-to-use assets	509,800	396,943	-	906,743
Total capital assets being depreciated	<u>60,009,141</u>	<u>924,070</u>	<u>7,728,359</u>	<u>68,661,570</u>
Less accumulated depreciation:				
Buildings	(3,797,079)	(245,507)	-	(4,042,586)
Improvements	(5,258,193)	(804,999)	-	(6,063,192)
Infrastructure	(13,079,817)	(542,237)	-	(13,622,054)
Machinery	(5,467,868)	(433,763)	-	(5,901,631)
Vehicles	(2,832,732)	(220,892)	480,745	(2,572,879)
Right-to-use assets	(84,908)	(184,445)	-	(269,353)
Total accumulated depreciation	<u>(30,520,597)</u>	<u>(2,431,843)</u>	<u>480,745</u>	<u>(32,471,695)</u>
Net capital assets being depreciated	<u>29,488,544</u>	<u>(1,507,773)</u>	<u>8,209,104</u>	<u>36,189,875</u>
Total Capital Assets	<u>\$ 40,095,602</u>	<u>\$ (32,289)</u>	<u>\$ (132,816)</u>	<u>\$ 39,930,497</u>

Depreciation was charged to governmental functions as follows:

General government	\$ 154,914
Public safety	588,497
Public works	1,282,917
Parks and recreation	253,463
Library	152,052
Total Governmental Activities Depreciation Expense	<u>\$ 2,431,843</u>

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

A summary of changes in business-type 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	\$ 8,794,228	\$ -	\$ -	\$ 8,794,228
Construction in progress	3,453,234	6,861,909	(4,360,916)	5,954,227
Total capital assets not being depreciated	<u>12,247,462</u>	<u>6,861,909</u>	<u>(4,360,916)</u>	<u>14,748,455</u>
Capital assets, being depreciated:				
Buildings	32,128,432	-	-	32,128,432
Improvements	18,686,390	-	1,887,723	20,574,113
Infrastructure	29,660,655	-	2,324,565	31,985,220
Machinery	8,516,429	122,869	8,363	8,647,661
Vehicles	1,210,087	640,112	(131,419)	1,718,780
Right-to-use assets	238,482	61,889	-	300,371
Total capital assets being depreciated	<u>90,440,475</u>	<u>824,870</u>	<u>4,089,232</u>	<u>95,354,577</u>
Less accumulated depreciation:				
Buildings	(11,464,890)	(618,763)	-	(12,083,653)
Improvements	(9,834,336)	(919,448)	-	(10,753,784)
Infrastructure	(13,144,114)	(547,434)	-	(13,691,548)
Machinery	(7,096,009)	(445,778)	140,265	(7,401,522)
Vehicles	(944,861)	(140,009)	121,031	(963,839)
Right-to-use assets	(41,517)	(68,434)	-	(109,951)
Total accumulated depreciation	<u>(42,525,727)</u>	<u>(2,739,866)</u>	<u>261,296</u>	<u>(45,004,297)</u>
Net capital assets being depreciated	47,914,748	(1,914,996)	4,350,528	50,350,280
Total Capital Assets	<u>\$ 60,162,210</u>	<u>\$ 4,946,913</u>	<u>\$ (10,388)</u>	<u>\$ 65,098,735</u>

Depreciation was charged to business-type functions as follows:

Water and sewer	\$ 2,145,344
Airport	594,522
Total Business-Type Activities Depreciation Expense	<u>\$ 2,739,866</u>

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

A summary of changes in the Mount Pleasant Industrial 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	\$ 1,628,156	\$ -	\$ (50,080)	\$ 1,578,076
Total capital assets not being depreciated	<u>1,628,156</u>	<u>-</u>	<u>(50,080)</u>	<u>1,578,076</u>
Capital assets, being depreciated:				
Buildings	1,632,316	-	(1,632,316)	-
Improvements	1,718,691	-	-	1,718,691
Infrastructure	2,499,327	-	-	2,499,327
Total capital assets being depreciated	<u>5,850,334</u>	<u>-</u>	<u>(1,632,316)</u>	<u>4,218,018</u>
Less accumulated depreciation				
Buildings	(217,840)	-	217,840	-
Improvements	(1,195,813)	(83,580)	-	(1,279,393)
Infrastructure	(743,680)	(48,617)	-	(792,297)
Total accumulated depreciation	<u>(2,157,333)</u>	<u>(132,197)</u>	<u>217,840</u>	<u>(2,071,690)</u>
Net capital assets being depreciated	<u>3,693,001</u>	<u>(132,197)</u>	<u>(1,414,476)</u>	<u>2,146,328</u>
Total capital assets	<u><u>\$ 5,321,157</u></u>	<u><u>\$ (132,197)</u></u>	<u><u>\$ (1,464,556)</u></u>	<u><u>\$ 3,724,404</u></u>

In March 2022, the IDC sold building and land assets with a net book value of \$1,464,556 for \$1,790,260. A net gain from sale of assets totaling \$325,704 was recognized on the statement of activities.

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

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>Refunding</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:						
Certificates of obligations	\$ 12,440,000	\$ -	\$ (170,000)	\$ (4,350,000)	\$ 7,920,000	\$ 170,000
General obligation bonds	2,685,000	4,457,000	(601,000)	-	6,541,000	611,000
Tax note payable	-	1,996,759	-	-	1,996,759	-
Lease liabilities	369,268	365,609	(166,171)	-	568,706	249,927
Note payable	319,218	111,163	(87,099)	-	343,282	86,535
Issuance premium	916,027	-	(123,890)	(90,283)	701,854	-
Total Governmental Activities	<u>\$ 16,729,513</u>	<u>\$ 6,930,531</u>	<u>\$ (1,148,160)</u>	<u>\$ (4,440,283)</u>	<u>\$ 18,071,601</u>	<u>\$ 1,117,462</u>
Long-term Liabilities Due in More than One Year					<u>\$ 16,954,139</u>	
Business-Type Activities:						
Revenue bonds	\$ 18,035,000	\$ -	\$ (1,165,000)	\$ -	\$ 16,870,000	\$ 1,185,000
Certificates of obligations	59,545,000	-	(85,000)	-	59,460,000	85,000
GO refunding bonds	1,205,000	-	(255,000)	-	950,000	250,000
Issuance discount	(32,858)	-	6,572	-	(26,286)	-
Issuance premium	2,308,846	-	(43,895)	-	2,264,951	-
Note payable	-	463,000	-	-	463,000	10,000
Lease liabilities	238,482	57,400	(76,478)	-	219,404	76,571
Total Business-Type Activities	<u>\$ 81,299,470</u>	<u>\$ 520,400</u>	<u>\$ (1,618,801)</u>	<u>\$ -</u>	<u>\$ 80,201,069</u>	<u>\$ 1,606,571</u>
Long-term Liabilities Due in More than One Year					<u>\$ 78,594,498</u>	

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, 2022

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	\$ 7,920,000
	Total Certificates of Obligation		<u>8,440,000</u>	<u>7,920,000</u>
2020 General Obligation Refunding Bond	2%-4%	5/15/2030	2,900,000	2,480,000
2021 General Obligation Refunding Bond	1.19%	5/15/2032	4,457,000	4,061,000
	Total General Obligation Bonds		<u>7,357,000</u>	<u>6,541,000</u>
2022 Tax Note Payable	2.06%		1,996,000	1,996,759
		Total Tax Notes	<u>1,996,000</u>	<u>1,996,759</u>
Notes Payable	Various	Various	319,218	343,282
Lease liabilities	Various	Various	734,877	568,706
	Total Notes Payable and Lease Liabilities		<u>1,054,095</u>	<u>911,988</u>
	Total Governmental Activities		<u>\$ 18,847,095</u>	<u>\$ 17,369,747</u>
Business-Type Activities:				
2008 Utility System Revenue Bonds	1.00%	3/15/2033	\$ 22,905,000	\$ 16,870,000
2016 General Obligation Refunding Bond	2%-2.75%	5/15/2026	7,115,000	950,000
	Total Bonds		<u>30,020,000</u>	<u>17,820,000</u>
2020 Certificates of Obligation	1.15%-4.15%	5/15/2030	3,985,000	3,900,000
2021 Combination Tax & Rev. Certificates	2.25-5%	5/15/2051	55,560,000	55,560,000
	Total Certificates		<u>59,545,000</u>	<u>59,460,000</u>
2021 Note Payable	1.23%	11/15/2028	463,000	463,000
Lease liabilities	3.8% - 6.49%	Various	238,482	219,404
	Total Notes Payable and Lease Liabilities		<u>701,482</u>	<u>682,404</u>
	Total Business-Type Activities		<u>\$ 90,266,482</u>	<u>\$ 77,962,404</u>

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

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

Year ending September 30,	Governmental Activities					
	General Obligation Bond		Certificates of Obligation		Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 611,000	\$ 147,526	\$ 170,000	\$ 307,800	\$ 10,000	\$ 7,785
2024	633,000	133,933	175,000	302,700	10,000	5,510
2025	665,000	119,515	180,000	297,450	86,000	4,920
2026	693,000	104,015	185,000	292,050	87,000	3,856
2027	725,000	87,479	190,000	286,500	89,000	2,774
2028	752,000	69,859	200,000	280,800	90,000	1,673
2029	788,000	51,216	205,000	272,800	91,000	560
2030	824,000	31,301	215,000	264,600	-	-
2031	423,000	10,115	695,000	256,000	-	-
2032	427,000	5,081	720,000	228,200	-	-
2033	-	-	750,000	199,400	-	-
2034	-	-	780,000	169,400	-	-
2035	-	-	815,000	138,200	-	-
2036	-	-	845,000	105,600	-	-
2037	-	-	880,000	71,800	-	-
2038	-	-	915,000	36,600	-	-
Total	<u>\$ 6,541,000</u>	<u>\$ 760,039</u>	<u>\$ 7,920,000</u>	<u>\$ 3,509,900</u>	<u>\$ 463,000</u>	<u>\$ 27,078</u>

Year ending September 30,	Governmental Activities	
	Lease Liabilities	
	Principal	Interest
2023	\$ 86,535	\$ 11,606
2024	89,417	8,725
2025	73,177	5,746
2026	46,548	3,295
2027	47,605	2,238
Total	<u>\$ 343,282</u>	<u>\$ 31,610</u>

The net book value of right-to-use assets as of September 30, 2022 was \$637,390.

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

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
2023	\$ 1,270,000	\$ 1,699,883	\$ 250,000	\$ 15,105
2024	1,295,000	1,685,995	240,000	11,130
2025	1,755,000	1,670,243	235,000	7,314
2026	1,860,000	1,632,515	225,000	3,578
2027	2,130,000	1,589,088	-	-
2028	2,175,000	1,544,235	-	-
2029-2033	11,510,000	7,097,405	-	-
2034-2038	12,780,000	5,821,545	-	-
2039-2043	14,585,000	4,014,788	-	-
2044-2048	16,290,000	2,317,388	-	-
2049-2051	10,680,000	484,200	-	-
Total	\$ 76,330,000	\$ 29,557,285	\$ 950,000	\$ 37,127

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
2023	\$ 10,000	\$ 7,785
2024	10,000	5,510
2025	86,000	4,920
2026	87,000	3,856
2027	89,000	2,774
2028	90,000	1,673
2029	91,000	560
Total	\$ 463,000	\$ 27,078

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

Business-Type Activities

Year ending September 30,	Lease Liabilities	
	Principal	Interest
2023	\$ 75,047	\$ 8,592
2024	72,395	5,374
2025	61,257	2,165
2026	10,705	274
Total	\$ 219,404	\$ 16,405

The net book value of right-to-use assets as of September 30, 2021 was \$190,420.

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.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 611,375	\$ 168,181	\$ (30,859)	\$ 748,697	\$ 673,827
Total Governmental Activities	\$ 611,375	\$ 168,181	\$ (30,859)	\$ 748,697	\$ 673,827
Long-term Liabilities Due in More than One Year				\$ 74,870	
Business-Type Activities:					
Compensated Absences	\$ 116,408	\$ 118,371	\$ (104,767)	\$ 130,012	\$ 117,011
Total Business-Type Activities	\$ 116,408	\$ 118,371	\$ (104,767)	\$ 130,012	\$ 117,011
Long-term Liabilities Due in More than One Year				\$ 13,001	
Component Unit Activities:					
Compensated Absences	\$ 6,054	\$ 5,995	\$ (5,449)	\$ 6,600	\$ 5,940
Total Component Unit Activities	\$ 6,054	\$ 5,995	\$ (5,449)	\$ 6,600	\$ 5,940
Long-term Liabilities Due in More than One Year				\$ 660	

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

F. Interfund Receivables and Payables

The composition of interfund balances as of September 30, 2022, is as follows:

Receivable Fund	Payable Fund	Amount
General	Debt service (nonmajor)	\$ 50,000
General	Airport	46,688
		\$ 96,688

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

G. Interfund Transactions

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

Transfer Out:	Transfer In					Total
	General	Street	Nonmajor Governmental	Water and Sewer	Airport	
General	\$ -	\$ -	\$ 116,065	\$ 501	\$ 4,993	\$ 121,559
Street	-	-	677,047	-	-	677,047
Nonmajor governmental	-	-	377,176	32,868	12,612	422,656
Water and sewer	395,800	746,000	609,166	-	-	1,750,966
Airport	-	-	6,170	-	-	6,170
Total	\$ 395,800	\$ 746,000	\$ 1,785,624	\$ 33,369	\$ 17,605	\$ 2,978,398

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.

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

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

	<u>Restricted</u>	<u>Assigned</u>
Debt service	\$ 459,379	\$ -
Community improvements	2,410,816	-
Capital replacements	334,771	-
Insurance	262,641	-
Municipal court	221,865 *	-
Tourism	211,048	-
Development	234,841	-
Capital projects	3,749,067	-
Public safety	37,162	-
Capital projects	-	625,585
Public safety	-	60,277
Library	-	23,198
Community Improvements	-	341,572
Total	<u>\$ 7,921,590</u>	<u>\$ 1,050,632</u>

*Restricted by enabling legislation

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

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

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 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 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.

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
 September 30, 2022

D. Construction Commitments

As of September 30, 2022, the City had the following contractual construction commitments:

Project	Remaining Commitment
Pilgrims Community Center	\$ 1,463,096
Downtown Light project	186,390
Pavement Rehad Phase 2	571,855
24in. Water line replacement	89,097
I-30 Storage tank	212,690
Wastewater Treatment Plant	1,287,233
West Loop wastewater line	974,321
7 Trane roof top units - down pmt.	38,000
Total	\$ 4,822,682

E. Pension Plans

Texas Municipal Retirement Systems

1. Plan Description

The City participates as one of 920 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, 2022

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 2020</u>	<u>Plan Year 2021</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, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	108
Inactive employees entitled to but not yet receiving benefits	94
Active employees	166
Total	368

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 14.63% and 14.76% in calendar years

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

2021 and 2022, respectively. The City's contributions to TMRS for the year ended September 30, 2022, were \$1,599,718, and were equal to the required contributions.

4. Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2021, 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, 2021 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 the Public Safety table used for males and 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 Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is 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 is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the 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. They were adopted in 2019 and first used in the December 31, 2019 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.

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

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

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, 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 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.0%	7.55%
Core Fixed Income	6.0%	2.00%
Non-Core Fixed Income	20.0%	5.68%
Other Public/Private Markets	12.0%	7.22%
Real Estate	12.0%	6.85%
Hedge Funds	5.0%	5.35%
Private Equity	10.0%	10.00%
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, \$4,862,013 is related to the primary government and \$66,937 is attributable to the discretely presented component unit.

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

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%
\$ 10,862,865	\$ 3,221,045	\$ (2,985,749)

Component Unit

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
\$ 149,553	\$ 44,345	\$ (41,106)

Total

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
\$ 11,012,418	\$ 3,265,390	\$ (3,026,855)

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

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 12/31/20	\$ 46,055,372	\$ 41,126,422	\$ 4,928,950	\$ 4,862,013	\$ 66,937
Changes for the year:					
Service cost	1,662,375	-	1,662,375	1,639,799	22,576
Interest	3,112,315	-	3,112,315	3,070,049	42,266
Change in benefit terms	-	-	-	-	-
Difference between expected and actual experience	1,045,824	-	1,045,824	1,031,621	14,203
Changes of assumptions	-	-	-	-	-
Contributions – employer	-	1,448,298	(1,448,298)	(1,428,630)	(19,668)
Contributions – employee	-	693,069	(693,069)	(683,657)	(9,412)
Net investment income	-	5,367,344	(5,367,344)	(5,294,453)	(72,891)
Benefit payments, including refunds of emp. contributions	(1,556,366)	(1,556,366)	-	-	-
Administrative expense	-	(24,807)	24,807	24,470	337
Other changes	-	170	(170)	(168)	(2)
Net changes	<u>4,264,148</u>	<u>5,927,708</u>	<u>(1,663,560)</u>	<u>(1,640,968)</u>	<u>(22,592)</u>
Balance at 12/31/21	<u>\$ 50,319,520</u>	<u>\$ 47,054,130</u>	<u>\$ 3,265,390</u>	<u>\$ 3,221,045</u>	<u>\$ 44,345</u>

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.tmr.com.

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

For the year ended September 30, 2022, the City recognized pension expense of \$803,599. Of this amount, \$792,686 is related to the primary government and \$10,913 is attributable to the discretely presented component unit.

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred (Inflows) of Resources</u>
Primary Government:		
Difference between projected and actual investment earnings	\$ -	\$ (2,720,573)
Differences between expected and actual economic experience	901,819	-
Changes in assumptions	29,900	
Contributions subsequent to the measurement date	1,174,595	-
Component Unit:		
Difference between projected and actual investment earnings	-	(37,455)
Differences between expected and actual economic experience	12,415	-
Changes in assumptions	411	-
Contributions subsequent to the measurement date	16,171	-
Total	<u>\$ 2,135,311</u>	<u>\$ (2,758,028)</u>

The primary government and component unit reported \$1,174,595 and \$16,171, 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, 2023.

Year ended December 31:	Discretely Presented		Total
	Primary Government	Component Unit	
2022	\$ (163,691)	\$ (2,254)	\$ (165,945)
2023	(826,001)	(11,372)	(837,373)
2024	(308,163)	(4,243)	(312,406)
2025	(490,998)	(6,761)	(497,759)
2026	-	-	-
Thereafter	-	-	-
	<u>\$ (1,788,854)</u>	<u>\$ (24,629)</u>	<u>\$ (1,813,483)</u>

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

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, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	64
Inactive employees entitled to but not yet receiving benefits	28
Active employees	166
Total	258

The City’s contributions to the TMRS SDBF for the years ended 2021, and 2022 were \$8,159 and \$10,056, 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
2020	0.04%	0.04%	100.0%
2021	0.10%	0.10%	100.0%
2022	0.09%	0.09%	100.0%

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

Total OPEB Liability

The City's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2021, 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, 2021 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.5% to 11.5%, including inflation per year
Discount rate	1.84%
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 RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Discount Rate:

The discount rate used to measure the Total OPEB Liability was 1.84%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2021.

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

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 2.00%, 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 (1.00%) or 1-percentage-point higher (3.00%) than the current rate:

Primary Government

1% Decrease 0.84%	Current Single Rate Assumption 1.84%	1% Increase 2.84%
\$ 767,038	\$ 618,684	\$ 505,339

Component Unit

1% Decrease 0.84%	Current Single Rate Assumption 1.84%	1% Increase 2.84%
\$ 10,560	\$ 8,518	\$ 6,957

Total

1% Decrease 0.84%	Current Single Rate Assumption 1.84%	1% Increase 2.84%
\$ 777,598	\$ 627,202	\$ 512,296

Changes in the Total OPEB Liability:

	<u>Total OPEB Liability</u>	<u>Component Unit</u>	<u>Primary Government</u>
Balance at 12/31/20	\$ 580,518	\$ 7,884	\$ 572,634
Changes for the year:			
Service Cost	31,683	430	31,253
Interest	11,828	161	11,667
Difference between expected actual experience	(7,289)	(99)	(7,190)
Changes of assumptions	20,363	277	20,086
Benefit payments	(9,901)	(134)	(9,767)
Net changes	46,684	634	46,050
Balance at 12/31/21	<u>\$ 627,202</u>	<u>\$ 8,518</u>	<u>\$ 618,684</u>

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

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

For the year ended September 30, 2022, the City recognized OPEB expense of \$66,985. Of this amount, \$66,074 is related to the primary government and \$911 is attributable to the discretely presented component unit.

At September 30, 2022, 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	\$ 7,163	\$ -
Difference in experience	-	(26,675)
Change in assumptions	110,033	-
Component Unit:		
Contributions subsequent to measurement date	98	-
Difference in experience	-	(366)
Change in assumptions	1,514	-
Total	\$ 118,808	\$ (27,041)

The primary government and component unit reported \$7,163, and \$98, 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, 2023.

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:			
2022	\$ 23,155	\$ 319	\$ 23,474
2023	19,386	267	19,653
2024	22,102	304	22,406
2025	16,440	226	16,666
2026	2,276	31	2,307
Thereafter	-	-	-
	\$ 83,358	\$ 1,148	\$ 84,506

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
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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, 2022.

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
3.77%	Assumption 4.77%	5.77%
\$ 991,166	\$ 908,235	\$ 834,453

Component Unit

1% Decrease	Current Single Rate	1% Increase
3.77%	Assumption 4.77%	5.77%
\$ 10,553	\$ 9,670	\$ 8,884

Total

1% Decrease	Current Single Rate	1% Increase
3.77%	Assumption 4.77%	5.77%
\$ 1,001,719	\$ 917,905	\$ 843,337

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

Healthcare Cost Trend

Primary Government

1% Decrease 3.50%	Current Single Rate Assumption 4.50%	1% Increase 5.50%
\$ 821,083	\$ 908,235	\$ 1,011,423

Component Unit

1% Decrease 3.50%	Current Single Rate Assumption 4.50%	1% Increase 5.50%
\$ 8,742	\$ 9,670	\$ 10,769

Total

1% Decrease 3.50%	Current Single Rate Assumption 4.50%	1% Increase 5.50%
\$ 829,825	\$ 917,905	\$ 1,022,192

Changes in the Total OPEB Liability

	Total OPEB Liability	Component Unit	Primary Government
Balance at 9/30/2021	\$ 1,062,797	\$ 11,275	\$ 1,051,522
Changes for the year:			
Service Cost	70,983	748	70,235
Interest	24,649	260	24,389
Difference between expected actual experience	65,563	691	64,872
Changes of assumptions	(229,525)	(2,418)	(227,107)
Benefit payments	(76,562)	(886)	(75,676)
Net changes	(144,892)	(1,605)	(143,287)
Balance at 9/30/2022	\$ 917,905	\$ 9,670	\$ 908,235

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

For the year ended September 30, 2022, the City recognized OPEB expense of \$99,962. Of this amount, \$98,909 is related to the primary government and \$1,053 is attributable to the discretely presented component unit.

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

Employees covered by benefit terms

At the September 30, 2022 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	4	-
Active employees	116	57
Total	120	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, 2022, 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 2022 actuarial valuation for the development of the GASB 75 disclosures related to OPEB benefits for the year ended September 30, 2022.

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, 2022

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	4.77%
Inflation Rate	3.00%
Salary Growth	3.5%
Healthcare Cost Trend Rate (Initial/Ultimate)	4.5% for medical

At September 30, 2022, 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	\$ 957	\$ -
Change in assumptions	-	(1,183)
Primary Government:		
Difference in experience	89,906	-
Change in assumptions	-	(111,080)
Total	<u>\$ 90,863</u>	<u>\$ (112,263)</u>

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

Year ended September 30:	Primary Government	Discretely Presented Component Unit	Total
2023	\$ 4,284	\$ 46	\$ 4,330
2024	4,284	46	4,330
2025	4,284	46	4,330
2026	4,284	46	4,330
2027	(8,342)	(89)	(8,431)
Thereafter	(29,969)	(320)	(30,289)
	<u>\$ (21,174)</u>	<u>\$ (226)</u>	<u>\$ (21,400)</u>

City of Mount Pleasant, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

G. Restatement

Due to the implementation of GASB Statement No. 87, *Leases*, the City restated beginning net position for governmental activities to recognize lease liabilities and right-to-use assets in the prior year. In addition, the City restated business-type activities net position in order to correct prior year accumulated depreciation.

	Governmental Activities
Prior year ending net position, as reported	\$ 26,734,209
Adoption of GASB 87 (lessee) - right-to-use assets	424,892
Adoption of GASB 87 (lessee) - lease liabilities	(369,268)
Restated beginning net position	\$ 26,789,833

	Business-Type Activities	Water & Sewer	Airport
Prior year ending net position, as reported	\$ 40,732,713	\$ 32,856,126	\$ 7,876,587
GASB 87 accumulated depreciation	(41,517)	(33,965)	(7,552)
Adoption of GASB 87 (lessee) - lease liabilities	(238,482)	(238,482)	-
Adoption of GASB 87 (lessee) - capital assets	238,482	238,482	-
Restated beginning net position	\$ 40,691,196	\$ 32,822,161	\$ 7,869,035

H. Subsequent Events

There were no material subsequent events through July 14, 2023, the date the financial statements were available to be issued.

I. New Accounting Pronouncements

The City has adopted the provision of Governmental Accounting Standard Board (GASB) Statement No. 87, entitled *Leases*. Due to the implementation of GASB 87 in the current year, the City recorded right to use assets and lease liabilities.

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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Property tax	\$ 3,522,000	\$ 3,522,000	\$ 3,463,589	\$ (58,411)
Sales tax	5,887,750	5,887,750	6,435,353	547,603
Mixed beverage tax	45,000	45,000	36,398	(8,602)
Franchise and local taxes	89,705	89,705	-	(89,705)
License and permits	299,500	299,500	287,177	(12,323)
Charges for services	1,194,000	1,194,000	1,152,405	(41,595)
Intergovernmental revenue	22,500	3,386,500	2,067,701	(1,318,799)
Fines and forfeitures	778,500	778,500	747,849	(30,651)
Investment income	20,000	20,000	51,684	31,684
Royalties	850,000	850,000	1,000,794	150,794
Other revenues	226,380	226,380	223,280	(3,100)
Total Revenues	12,935,335	16,299,335	15,466,230	(833,105)
<u>Expenditures</u>				
Current:				
General government	2,218,183	2,218,183	2,585,274	(367,091)
Public safety	8,823,681	8,823,681	9,027,331	(203,650)
Building maintenance	258,313	258,313	330,756	(72,443)
Public works	378,780	378,780	458,716	(79,936)
Parks and recreation	1,368,187	1,417,637	1,582,327	(164,690)
Library	526,311	526,311	497,044	29,267
Capital outlay	11,380	2,575,380	306,770	2,268,610
Debt service:				
Principal	-	-	59,410	(59,410)
Interest and fiscal charges	-	-	3,210	(3,210)
Total Expenditures	13,584,835	16,198,285	14,850,838	1,347,447
Revenues Over (Under)				
Expenditures	(649,500)	101,050	615,392	514,342

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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses)				
Note payable issuance	-	-	111,163	111,163
Transfers in	650,000	650,000	395,800	(254,200)
Transfers (out)	(500)	(800,500)	(121,559)	678,941
Total Other Financing Sources (Uses)	649,500	(150,500)	385,404	535,904
Net Change in Fund Balance	\$ -	\$ (49,450)	1,000,796	\$ 1,050,246
Beginning fund balance			4,121,870	
Ending Fund Balance			\$ 5,122,666	

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,

	2021	2020	2019
Total pension liability		¹	
Service cost	\$ 1,662,375	\$ 1,585,135	\$ 1,418,227
Interest	3,112,315	2,906,099	2,718,098
Differences between expected and actual experience	1,045,824	205,878	(13,552)
Changes of assumptions	-	-	100,803
Benefit payments, including refunds of participant contributions	(1,556,366)	(1,804,971)	(1,238,689)
Net change in total pension liability	4,264,148	2,892,141	2,984,887
Total pension liability - beginning	\$ 46,055,372	\$ 43,163,231	\$ 40,178,344
Total pension liability - ending (a)	\$ 50,319,520	\$ 46,055,372	\$ 43,163,231
Plan fiduciary net position			
Contributions - employer	\$ 1,448,298	\$ 1,446,120	\$ 1,258,146
Contributions - members	693,069	675,758	583,632
Net investment income	5,367,344	2,883,280	5,009,166
Benefit payments, including refunds of participant contributions	(1,556,366)	(1,804,971)	(1,238,689)
Administrative expenses	(24,807)	(18,638)	(28,270)
Other	170	(727)	(849)
Net change in plan fiduciary net position	5,927,708	3,180,822	5,583,136
Plan fiduciary net position - beginning	41,126,422	37,945,600	32,362,464
Plan fiduciary net position - ending (b)	\$ 47,054,130	\$ 41,126,422	\$ 37,945,600
Fund's net pension liability - ending (a) - (b)	\$ 3,265,390	\$ 4,928,950	\$ 5,217,631
 Plan fiduciary net position as a percentage of the total pension liability	 93.51%	 89.30%	 87.91%
Covered payroll	\$ 9,900,982	\$ 9,653,686	\$ 8,337,600
Fund's net position as a percentage of covered payroll	 32.98%	 51.06%	 62.58%

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.

	2018	2017	2016	2015	2014
\$	1,429,608	\$ 1,329,605	\$ 1,227,492	\$ 1,115,182	\$ 1,011,813
	2,516,855	2,344,212	2,180,101	2,111,839	1,979,099
	262,972	(25,061)	(1,282)	(293,769)	(196,764)
	-	-	-	160,204	-
	(1,206,054)	(1,076,107)	(976,083)	(1,065,821)	(833,264)
	<u>3,003,381</u>	<u>2,572,649</u>	<u>2,430,228</u>	<u>2,027,635</u>	<u>1,960,884</u>
\$	<u>37,174,963</u>	<u>\$ 34,602,314</u>	<u>\$ 32,172,086</u>	<u>\$ 30,144,451</u>	<u>\$ 28,183,567</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>
\$	1,262,297	1,202,940	1,094,829	1,058,856	1,056,491
	579,795	543,965	499,271	463,831	445,241
	(981,247)	3,907,476	1,746,137	37,417	1,336,903
	(1,206,054)	(1,076,107)	(976,083)	(1,065,821)	(833,264)
	(18,947)	(20,234)	(19,713)	(22,790)	(13,956)
	(990)	(1,025)	(1,062)	(1,126)	(1,147)
	<u>(365,146)</u>	<u>4,557,015</u>	<u>2,343,379</u>	<u>470,367</u>	<u>1,990,268</u>
	<u>32,727,610</u>	<u>28,170,595</u>	<u>25,827,216</u>	<u>25,356,849</u>	<u>23,366,581</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>7,815,880</u>	<u>\$ 4,447,353</u>	<u>\$ 6,431,719</u>	<u>\$ 6,344,870</u>	<u>\$ 4,787,602</u>
	80.55%	88.04%	81.41%	80.28%	84.12%
\$	8,282,780	\$ 7,770,922	\$ 7,132,436	\$ 6,626,153	\$ 6,360,582
	94.36%	57.23%	90.18%	95.75%	96.33%

City of Mount Pleasant, Texas

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN TEXAS MUNICIPAL RETIREMENT SYSTEM

Years Ended:

	¹ 9/30/2022	9/30/2021	9/30/2020
Actuarially determined employer contributions	\$ 1,599,718	\$ 1,433,992	\$ 1,343,731
Contributions in relation to the actuarially determined contribution	\$ 1,599,718	\$ 1,433,992	\$ 1,343,731
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Annual covered-employee payroll	\$ 10,862,816	\$ 9,738,728	\$ 8,955,953
Employer contributions as a percentage of covered-employee payroll	14.73%	14.72%	15.00%

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.

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	24 years
Asset Valuation Method	10 Year smoothed fair value; 12% soft corridor
Inflation	2.5%
Salary Increases	3.50% to 11.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018

Mortality Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables
Pre-retirement: PUB(10) mortality tables, with the Public Safety tables used for males and the General Employee table for females.

Other Information:

Notes There were no benefit changes during the year.

<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
\$ 1,267,196	\$ 1,252,188	\$ 1,104,101	\$ 1,017,114	\$ 1,016,421	\$ 1,018,823
\$ 1,267,196	\$ 1,252,188	\$ 1,104,101	\$ 1,017,114	\$ 1,016,421	\$ 1,018,823
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 8,377,947	\$ 8,186,857	\$ 7,132,436	\$ 6,626,153	\$ 6,360,582	\$ 6,133,792
15.13%	15.30%	15.48%	15.35%	15.98%	16.61%

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 2021	2020	2019	2018
Total OPEB liability				
Service cost	\$ 31,683	\$ 27,030	\$ 14,174	\$ 18,222
Interest	11,828	13,253	14,493	13,303
Differences between expected and actual experience	(7,289)	(10,287)	(22,420)	(6,872)
Changes of assumptions	20,363	84,041	82,204	(30,116)
Benefit payments, including refunds of participant contributions	(9,901)	(3,861)	(3,335)	(4,141)
Net change in total OPEB liability	46,684	110,176	85,116	(9,604)
Total OPEB liability - beginning	\$ 580,518	\$ 470,342	\$ 385,226	\$ 394,830
Total OPEB liability - ending	² \$ 627,202	\$ 580,518	\$ 470,342	\$ 385,226
Covered-employee payroll	\$ 9,900,982	\$ 9,653,686	\$ 8,282,780	\$ 8,282,780
Fund's net position as a percentage of covered-employee payroll	6.33%	6.01%	5.68%	4.65%

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.

2017

\$ 14,765

12,968

-

33,349

(3,885)

57,197

\$ 337,633

\$ 394,830

\$ 7,770,922

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 2021	2020	2019	2018
Total OPEB liability				
Service cost	\$ 70,983	\$ 70,983	\$ 57,160	\$ 57,162
Interest	24,649	24,202	34,289	31,781
Differences between expected and actual experience	65,563	-	56,912	-
Changes of assumptions	(229,525)	-	143,199	-
Benefit payments, including refunds of participant contributions	(76,562)	(74,199)	(74,277)	(37,217)
Net change in total OPEB liability	(144,892)	20,986	217,283	51,726
Total OPEB liability - beginning	\$ 1,062,797	\$ 1,041,811	\$ 824,528	\$ 772,802
Total OPEB liability - ending	² \$ 917,905	\$ 1,062,797	\$ 1,041,811	\$ 824,528
Covered-employee payroll	\$ 10,537,764	\$ 7,044,703	\$ 8,337,600	\$ 8,282,780
Fund's net position as a percentage of covered-employee payroll	8.71%	15.09%	12.50%	9.95%

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.

2017

\$ 54,440
30,878

-
-

(37,219)

48,099

\$ 724,703

\$ 772,802

\$ 7,280,738

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, 2022

	Special Revenue Funds			
	Debt Service	Hotel/Motel Civic Center Occupancy	Cemetery	Police Seizure
	Assets			
Cash and cash equivalents	\$ 509,379	\$ 141,739	\$ 1,173	\$ 37,161
Receivables, net	18,526	93,127	-	-
Restricted cash	-	-	-	129,097
Total Assets	\$ 527,905	\$ 234,866	\$ 1,173	\$ 166,258
Liabilities				
Accounts payable	\$ -	\$ 23,818	\$ 7,132	\$ 129,096
Due to other funds	50,000	-	-	-
Total Liabilities	50,000	23,818	7,132	129,096
Deferred Inflows of Resources				
Unavailable revenue - prop. taxes	18,526	-	-	-
Total Deferred Inflows of Resources	18,526	-	-	-
Fund Balances				
Restricted for:				
Community Improvements	-	-	-	-
Capital replacements	-	-	-	-
Capital projects	-	-	-	-
Hotel/motel/civic center	-	211,048	-	-
Development	-	-	-	-
Debt Service	459,379	-	-	-
Public safety	-	-	-	37,162
Insurance	-	-	-	-
Assigned to:				
Public safety	-	-	-	-
Community improvements	-	-	-	-
Library	-	-	-	-
Unassigned	-	-	(5,959)	-
Total Fund Balances	459,379	211,048	(5,959)	37,162
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 527,905	\$ 234,866	\$ 1,173	\$ 166,258

Special Revenue Funds

<u>Rural Development</u>	<u>Police</u>	<u>Library</u>	<u>Fireman's Relief Fund</u>	<u>PEG Funds</u>	<u>Community Improvements</u>	<u>Park Improvements</u>
\$ 234,841	\$ 43,596	\$ 25,321	\$ -	\$ 351,890	\$ 341,572	\$ 199,608
-	1,200	-	-	6,729	-	-
-	-	-	-	-	-	1,963,814
<u>\$ 234,841</u>	<u>\$ 44,796</u>	<u>\$ 25,321</u>	<u>\$ -</u>	<u>\$ 358,619</u>	<u>\$ 341,572</u>	<u>\$ 2,163,422</u>
\$ -	\$ 1,229	\$ 4,386	\$ -	\$ -	\$ -	\$ 111,225
-	-	-	-	-	-	-
-	1,229	4,386	-	-	-	111,225
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	358,619	-	2,052,197
-	-	-	-	-	-	-
-	-	-	-	-	-	-
234,841	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	43,567	-	-	-	-	-
-	-	-	-	-	341,572	-
-	-	20,935	-	-	-	-
-	-	-	-	-	-	-
<u>234,841</u>	<u>43,567</u>	<u>20,935</u>	<u>-</u>	<u>358,619</u>	<u>341,572</u>	<u>2,052,197</u>
<u>\$ 234,841</u>	<u>\$ 44,796</u>	<u>\$ 25,321</u>	<u>\$ -</u>	<u>\$ 358,619</u>	<u>\$ 341,572</u>	<u>\$ 2,163,422</u>

City of Mount Pleasant, Texas

COMBINING BALANCE SHEET (Continued)

NONMAJOR GOVERNMENTAL FUNDS

September 30, 2022

Special Revenue Funds

	Construction Bond	Capital Replacement	Booker T. Washington	Insurance Fund
Assets				
Cash and cash equivalents	\$ 199,115	\$ 334,771	\$ 2,263	\$ 262,641
Receivables, net	-	-	-	-
Restricted cash	-	-	-	-
Total Assets	\$ 199,115	\$ 334,771	\$ 2,263	\$ 262,641
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Total Liabilities	-	-	-	-
Deferred Inflows of Resources				
Unavailable revenue - prop. taxes	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances				
Restricted for:				
Community improvements	-	-	-	-
Capital replacements	-	334,771	-	-
Capital projects	199,115	-	-	-
Hotel/motel/civic center	-	-	-	-
Development	-	-	-	-
Debt Service	-	-	-	-
Public safety	-	-	-	-
Insurance	-	-	-	262,641
Assigned to:				
Public safety	-	-	-	-
Community improvements	-	-	-	-
Library	-	-	2,263	-
Unassigned	-	-	-	-
Total Fund Balances	199,115	334,771	2,263	262,641
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 199,115	\$ 334,771	\$ 2,263	\$ 262,641

**Total
Nonmajor
Governmental**

\$ 2,685,070
119,582
2,092,911
\$ 4,897,563

\$ 276,886
50,000
326,886

18,526
18,526

2,410,816
334,771
199,115
211,048
234,841
459,379
37,162
262,641

43,567
341,572
23,198
(5,959)
4,552,151

\$ 4,897,563

City of Mount Pleasant, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended September 30, 2022

	Special Revenue Funds			
	Debt Service	Hotel/Motel Civic Center Occupancy	Cemetery	Police Seizure
Revenues				
Taxes:				
Property	\$ 826,216	\$ -	\$ 33,386	\$ -
Hotel	-	723,194	-	-
Utility franchise fees	-	-	-	-
Donations	-	1,401	-	-
Investment income	3,835	-	-	867
Intergovernmental revenue	-	-	-	-
Other revenue	-	74,154	-	19,883
Total Revenues	830,051	798,749	33,386	20,750
Expenditures				
General government	7,232	579,333	88,333	-
Public safety	-	-	-	50,028
Culture and recreation	-	493,350	-	-
Capital outlay	-	-	104,688	-
Debt service:				
Principal	415,564	-	-	-
Interest and fiscal charges	427,879	-	-	-
Bond issuance costs	-	-	-	-
Total Expenditures	850,675	1,072,683	193,021	50,028
Revenues Over (Under) Expenditures	(20,624)	(273,934)	(159,635)	(29,278)
Other Financing Sources (Uses)				
Transfers in	477,047	617,860	121,046	-
Transfers (out)	-	(420,169)	-	-
Sale of capital assets	-	-	32,400	-
Lease related issuance	-	-	-	-
Bond issuance	-	-	-	-
Total Other Financing Sources (Uses)	477,047	197,691	153,446	-
Net Change in Fund Balances	456,423	(76,243)	(6,189)	(29,278)
Beginning fund balances	2,956	287,291	230	66,440
Ending Fund Balances	\$ 459,379	\$ 211,048	\$ (5,959)	\$ 37,162

Special Revenue Funds

<u>Rural Development</u>	<u>Police</u>	<u>Library</u>	<u>Fireman's Relief Fund</u>	<u>PEG Funds</u>	<u>Community Improvements</u>	<u>Park Improvements</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	24,390	-	-
-	25,069	19,220	-	-	-	-
227	26	-	-	1,147	-	14,727
-	7,313	-	-	-	-	-
-	240	-	-	-	-	-
<u>227</u>	<u>32,648</u>	<u>19,220</u>	<u>-</u>	<u>25,537</u>	<u>-</u>	<u>14,727</u>
-	-	-	-	-	-	-
-	11,048	-	500	-	-	-
-	-	9,335	-	-	-	19,921
-	-	4,453	-	-	-	1,226,410
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	46,000
<u>-</u>	<u>11,048</u>	<u>13,788</u>	<u>500</u>	<u>-</u>	<u>-</u>	<u>1,292,331</u>
<u>227</u>	<u>21,600</u>	<u>5,432</u>	<u>(500)</u>	<u>25,537</u>	<u>-</u>	<u>(1,277,604)</u>
-	-	2,500	500	-	-	-
-	-	(2,487)	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	1,996,759
<u>-</u>	<u>-</u>	<u>13</u>	<u>500</u>	<u>-</u>	<u>-</u>	<u>1,996,759</u>
227	21,600	5,445	-	25,537	-	719,155
234,614	21,967	15,490	-	333,082	341,572	1,333,042
<u>\$ 234,841</u>	<u>\$ 43,567</u>	<u>\$ 20,935</u>	<u>\$ -</u>	<u>\$ 358,619</u>	<u>\$ 341,572</u>	<u>\$ 2,052,197</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, 2022

	Special Revenue Funds			
	Construction Bond	Capital Replacement	Booker T. Washington	Insurance Fund
Revenues				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Hotel	-	-	-	-
Utility franchise fees	-	-	-	-
Donations	-	-	120	-
Investment income	-	-	-	-
Intergovernmental revenue	-	-	-	-
Other revenue	-	-	-	-
Total Revenues	-	-	120	-
Expenditures				
General government	265	243,799	-	84,269
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	78,553	365,608	-	-
Debt service:				
Principal	-	127,302	-	-
Interest and fiscal charges	-	17,825	-	-
Bond issuance costs	-	-	-	-
Total Expenditures	78,818	754,534	-	84,269
Revenues Over (Under) Expenditures	(78,818)	(754,534)	120	(84,269)
Other Financing Sources (Uses)				
Transfers in	-	219,761	-	346,910
Transfers (out)	-	-	-	-
Sale of capital assets	-	338,273	-	-
Lease related issuance	-	365,609	-	-
Bond issuance	-	-	-	-
Total Other Financing Sources (Uses)	-	923,643	-	346,910
Net Change in Fund Balances	(78,818)	169,109	120	262,641
Beginning fund balances	277,933	165,662	2,143	-
Ending Fund Balances	\$ 199,115	\$ 334,771	\$ 2,263	\$ 262,641

**Total
Nonmajor
Governmental**

\$ 859,602
723,194
24,390
45,810
20,829
7,313
94,277

1,775,415

1,003,231
61,576
522,606
1,779,712

542,866
445,704
46,000

4,401,695

(2,626,280)

1,785,624
(422,656)
370,673
365,609
1,996,759

4,096,009

1,469,729

3,082,422

\$ 4,552,151

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, 2022

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Franchise tax	\$ 1,200,000	\$ 1,282,063	\$ 82,063
Investment income	1,500	8,705	7,205
Other revenues	-	5,116	5,116
Total Revenues	1,201,500	1,295,884	94,384
<u>Expenditures</u>			
Current:			
Public works	1,310,877	1,829,569	(518,692)
Debt service:			
Principal	-	421,994	(421,994)
Interest and fiscal charges	35,506	72,709	(37,203)
Bond issuance costs	-	73,186	(73,186)
Capital outlay	1,205,311	165,873	1,039,438
Total Expenditures	2,551,694	2,563,331	(11,637) *
Revenues Over (Under) Expenditures	(1,350,194)	(1,267,447)	82,747
<u>Other Financing Sources (Uses)</u>			
Transfers in	350,000	746,000	396,000
Transfers (out)	(200,000)	(677,047)	(477,047) *
Payment to refunding bond agent	-	(4,350,000)	(4,350,000)
Refunding bonds issued	-	4,457,000	4,457,000
Total Other Financing Sources (Uses)	150,000	175,953	25,953
Net Change in Fund Balance	\$ (1,200,194)	(1,091,494)	\$ 108,700
Beginning fund balance		1,717,079	
Ending Fund Balance		\$ 625,585	

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
CONSTRUCTION BOND FUND
For the Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>				
Intergovernmental revenue	\$ -	\$ 40,000	\$ -	\$ (40,000)
Total Revenues	<u>-</u>	<u>40,000</u>	<u>-</u>	<u>(40,000)</u>
<u>Expenditures</u>				
Current:				
General government	-	-	265	(265)
Capital outlay	-	40,000	78,553	(38,553)
Total Expenditures	<u>-</u>	<u>40,000</u>	<u>78,818</u>	<u>(38,818) *</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(78,818)</u>	<u>(78,818)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>(78,818)</u>	<u>\$ (78,818)</u>
Beginning fund balance			<u>277,933</u>	
Ending Fund Balance			<u>\$ 199,115</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
DEBT SERVICE FUND
For the Year Ended September 30, 2022

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Taxes:			
Property	\$ 836,880	\$ 826,216	\$ (10,664)
Investment income	400	3,835	3,435
Total Revenues	837,280	830,051	(7,229)
<u>Expenditures</u>			
Current:			
General government	43,680	7,232	36,448
Debt service:			
Principal	375,000	415,564	(40,564)
Interest and fiscal charges	418,600	427,879	(9,279)
Total Expenditures	837,280	850,675	(13,395) *
Revenues Over (Under) Expenditures	-	(20,624)	(20,624)
<u>Other Financing Sources (Uses)</u>			
Transfers in	-	477,047	477,047
Total Other Financing Sources (Uses)	-	477,047	477,047
Net Change in Fund Balance	\$ -	456,423	\$ 456,423
Beginning fund balance		2,956	
Ending Fund Balance		\$ 459,379	

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, 2022

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Taxes:			
Hotel	\$ 630,000	\$ 723,194	\$ 93,194
Donations	-	1,401	1,401
Other revenues	62,609	74,154	11,545
Total Revenues	692,609	798,749	106,140
<u>Expenditures</u>			
Current:			
General government	450,000	579,333	(129,333)
Culture and recreation	442,609	493,350	(50,741)
Total Expenditures	892,609	1,072,683	(180,074) *
Revenues Over (Under) Expenditures	(200,000)	(273,934)	(73,934)
<u>Other Financing Sources (Uses)</u>			
Transfers in	647,860	617,860	(30,000)
Transfers (out)	(447,860)	(420,169)	27,691
Total Other Financing Sources (Uses)	200,000	197,691	(2,309)
Net Change in Fund Balance	\$ -	(76,243)	\$ (76,243)
Beginning fund balance		287,291	
Ending Fund Balance		\$ 211,048	

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
CEMETERY

For the Year Ended September 30, 2022

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Taxes:			
Property	\$ 33,800	\$ 33,386	\$ (414)
Other revenues	200	-	(200)
Total Revenues	34,000	33,386	(614)
<u>Expenditures</u>			
Current:			
General government	50,000	88,333	(38,333)
Capital outlay	0	104,688	(104,688)
Total Expenditures	50,000	193,021	(143,021) *
Revenues Over (Under) Expenditures	(16,000)	(159,635)	(143,635)
<u>Other Financing Sources (Uses)</u>			
Transfers in	-	121,046	121,046
Proceeds from sale of assets	16,000	32,400	16,400
Total Other Financing Sources (Uses)	16,000	153,446	137,446
Net Change in Fund Balance	\$ -	(6,189)	\$ (6,189)
Beginning fund balance		230	
Ending Fund Balance		\$ (5,959)	

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
POLICE SEIZURES FUND
For the Year Ended September 30, 2022

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Investment income	\$ 1,600	\$ 867	\$ (733)
Other revenues	10,100	19,883	9,783
Total Revenues	11,700	20,750	9,050
<u>Expenditures</u>			
Current:			
Public safety	26,700	50,028	(23,328)
Total Expenditures	26,700	50,028	(23,328) *
Revenues Over (Under) Expenditures	(15,000)	(29,278)	(14,278)
<u>Other Financing Sources (Uses)</u>			
Transfers in	5,000	-	(5,000)
Transfers (out)	(5,000)	-	5,000
Sale of capital assets	15,000	-	(15,000)
Total Other Financing Sources (Uses)	15,000	-	(15,000)
Net Change in Fund Balance	\$ -	(29,278)	\$ (29,278)
Beginning fund balance		66,440	
Ending Fund Balance		\$ 37,162	

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
RURAL DEVELOPMENT FUND
For the Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>				
Investment income	\$ 3,500	\$ -	\$ 227	\$ 227
Total Revenues	<u>3,500</u>	<u>-</u>	<u>227</u>	<u>227</u>
Net Change in Fund Balance	<u>\$ 3,500</u>	<u>\$ -</u>	227	<u>\$ 227</u>
Beginning fund balance			234,614	
Ending Fund Balance			<u>\$ 234,841</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, 2022

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Intergovernmental	\$ 6,500	\$ 7,313	\$ 813
Donations	-	25,069	25,069
Investment income	-	26	26
Other revenues	1,800	240	(1,560)
Total Revenues	8,300	32,648	24,348
<u>Expenditures</u>			
Current:			
Public safety	8,300	11,048	(2,748)
Total Expenditures	8,300	11,048	(2,748) *
Revenues Over (Under) Expenditures	-	21,600	21,600
Net Change in Fund Balance	\$ -	21,600	\$ 21,600
Beginning fund balance		21,967	
Ending Fund Balance		\$ 43,567	

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
LIBRARY FUND
For the Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>				
Donations	\$ 4,000	\$ 4,000	\$ 19,220	\$ 15,220
Total Revenues	<u>4,000</u>	<u>4,000</u>	<u>19,220</u>	<u>15,220</u>
<u>Expenditures</u>				
Current:				
Culture and recreation	-	-	9,335	(9,335)
Capital outlay	4,000	16,000	4,453	11,547
Total Expenditures	<u>4,000</u>	<u>16,000</u>	<u>13,788</u>	<u>2,212</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>(12,000)</u>	<u>5,432</u>	<u>17,432</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	-	2,500	2,500
Transfers (out)	-	-	(2,487)	(2,487)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>13</u>	<u>13</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (12,000)</u>	<u>5,445</u>	<u>\$ 17,445</u>
Beginning fund balance			<u>15,490</u>	
Ending Fund Balance			<u>\$ 20,935</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
PEG FUND
For the Year Ended September 30, 2022

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Franchise fees	\$ 27,800	\$ 24,390	\$ (3,410)
Investment income	200	1,147	947
Other revenues	334,318	-	(334,318)
Total Revenues	362,318	25,537	(336,781)
<u>Expenditures</u>			
Current:			
General government	362,318	-	362,318
Total Expenditures	362,318	-	362,318
Revenues Over (Under) Expenditures	-	25,537	25,537
Net Change in Fund Balance	\$ -	25,537	\$ 25,537
Beginning fund balance		333,082	
Ending Fund Balance		\$ 358,619	

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, 2022

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Expenditures</u>			
Current:			
General government	-	243,799	(243,799)
Debt service:			
Principal	30,000	127,302	(97,302)
Interest and fiscal charges	-	17,825	(17,825)
Capital outlay	170,000	365,608	(195,608)
Total Expenditures	200,000	754,534	(554,534) *
Revenues Over (Under) Expenditures	(200,000)	(754,534)	(554,534)
<u>Other Financing Sources (Uses)</u>			
Transfers in	150,000	219,761	69,761
Sale of capital assets	50,000	338,273	288,273
Lease related issuance	-	365,609	365,609
Total Other Financing Sources (Uses)	200,000	923,643	723,643
Net Change in Fund Balance	\$ -	169,109	\$ 169,109
Beginning fund balance		165,662	
Ending Fund Balance		\$ 334,771	

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
FIREMEN'S RELIEF FUND
For the Year Ended September 30, 2022

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Expenditures</u>			
Current:			
Public safety	500	500	-
Total Expenditures	500	500	-
Revenues Over (Under) Expenditures	(500)	(500)	-
<u>Other Financing Sources (Uses)</u>			
Transfers in	500	500	-
Total Other Financing Sources (Uses)	500	500	-
Net Change in Fund Balance	\$ -	-	\$ -
Beginning fund balance		-	
Ending Fund Balance		\$ -	

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
PARK IMPROVEMENTS
For the Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>				
Intergovernmental	\$ 1,400,000	\$ 1,400,000	\$ -	\$ (1,400,000)
Investment income	-	-	14,727	14,727
Total Revenues	<u>1,400,000</u>	<u>1,400,000</u>	<u>14,727</u>	<u>(1,385,273)</u>
<u>Expenditures</u>				
Current:				
Culture and recreation	140,000	440,977	19,921	421,056
Debt service:				
Bond issuance costs	-	-	46,000	(46,000)
Capital outlay	2,240,000	2,240,000	1,226,410	1,013,590
Total Expenditures	<u>2,380,000</u>	<u>2,680,977</u>	<u>1,292,331</u>	<u>1,388,646</u>
Revenues Over (Under) Expenditures	<u>(980,000)</u>	<u>(1,280,977)</u>	<u>(1,277,604)</u>	<u>3,373</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	980,000	980,000	-	(980,000)
Bond issuance	-	-	1,996,759	1,996,759
Total Other Financing Sources (Uses)	<u>980,000</u>	<u>980,000</u>	<u>1,996,759</u>	<u>1,016,759</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (300,977)</u>	719,155	<u>\$ 1,020,132</u>
Beginning fund balance			<u>1,333,042</u>	
Ending Fund Balance			<u>\$ 2,052,197</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
COMMUNITY IMPROVEMENTS
For the Year Ended September 30, 2022

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Other revenues	\$ 341,571	\$ -	\$ (341,571)
Total Revenues	341,571	-	(341,571)
<u>Expenditures</u>			
Current:			
Community development	391,571	-	391,571
Total Expenditures	391,571	-	391,571
Revenues Over (Under) Expenditures	(50,000)	-	50,000
<u>Other Financing Sources (Uses)</u>			
Transfers in	50,000	-	(50,000)
Total Other Financing Sources (Uses)	50,000	-	(50,000)
Net Change in Fund Balance	\$ -	-	\$ -
Beginning fund balance		341,572	
Ending Fund Balance		\$ 341,572	

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, 2022

		Industrial Development District
<u>Assets</u>		
Cash and cash equivalents	\$	7,085,004
Receivables, net		373,038
Total Assets	\$	7,458,042
 <u>Liabilities</u>		
Accounts payable	\$	34,920
Accrued liabilities		4,591
Total Liabilities		39,511
 <u>Fund Balances</u>		
Restricted for:		
Economic development		7,418,531
Total Fund Balance		7,418,531
Total Liabilities and Fund Balance	\$	7,458,042

City of Mount Pleasant, Texas

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

September 30, 2022

Fund Balance	\$ 7,418,531
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	1,578,076
Capital assets - net depreciable	2,146,328
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	28,997
OPEB deferred outflows	2,570
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	(1,549)
Pension deferred inflows	(37,455)
Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.	
Net pension liability	(44,345)
OPEB liabilities	(18,188)
Compensated absences	(6,600)
Net Position of the Discretely Presented Component Unit	\$ 11,066,365

City of Mount Pleasant, Texas

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

For the Year Ended September 30, 2022

	<u>Industrial Development District</u>
<u>Revenues</u>	
Sales tax	\$ 2,134,378
Investment income	30,247
Other revenue	1,429
Total Revenues	<u>2,166,054</u>
 <u>Expenditures</u>	
Current:	
Economic Development	1,879,310
Total Expenditures	<u>1,879,310</u>
Total Revenues Over (Under) Expenditures	286,744
 <u>Other Financing Sources (Uses)</u>	
Sale of capital assets	1,790,260
Total Other Financing Sources (Uses)	<u>1,790,260</u>
Net Change in Fund Balance	2,077,004
Beginning fund balance	5,341,527
Ending Fund Balance	<u>\$ 7,418,531</u>

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, 2022

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

Net changes in fund balance	\$ 2,077,004
-----------------------------	--------------

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.

Depreciation expense	(132,197)
Adjustment for sale of assets	(1,464,556)

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	10,809
OPEB expense	(1,020)
Compensated absences	(546)
Change in Net Position of the Discretely Presented Component Unit	\$ 489,494

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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 Position 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

	2013	2014	2015	2016
Governmental Activities				
Net investment in				
capital assets	\$ 21,729,842	\$ 18,381,690	\$ 18,343,148	\$ 19,049,789
Restricted	1,476,577	851,230	1,553,240	1,501,525
Unrestricted	2,695,201	3,603,191	2,061,836	1,664,655
Total Governmental Net Position	\$ 25,901,620	\$ 22,836,111	\$ 21,958,224	\$ 22,215,969
Business-type Activities				
Net investment in				
capital assets	\$ 39,616,390	\$ 42,881,147	\$ 41,898,179	\$ 42,429,776
Restricted	2,027,783	1,927,757	2,125,320	1,655,002
Unrestricted	3,578,411	1,492,729	1,286,131	481,429
Total Business-type Activities Net Position	\$ 45,222,584	\$ 46,301,633	\$ 45,309,630	\$ 44,566,207
Primary Government				
Net investment in				
capital assets	\$ 61,346,232	\$ 61,262,837	\$ 60,241,327	\$ 61,479,565
Restricted	3,504,360	2,778,987	3,678,560	3,156,527
Unrestricted	6,273,612	5,095,920	3,347,967	2,146,084
Total Primary Government Net Position	\$ 71,124,204	\$ 69,137,744	\$ 67,267,854	\$ 66,782,176

Source: Annual Financial Report

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 19,752,903	\$ 14,140,261	\$ 22,431,539	\$ 24,401,450	\$ 23,697,005	\$ 21,711,153
2,770,138	7,765,128	1,163,916	879,970	4,737,541	7,605,345
<u>(2,138,823)</u>	<u>(559,188)</u>	<u>(1,227,968)</u>	<u>(1,458,742)</u>	<u>(1,644,713)</u>	<u>(2,305,895)</u>
<u>\$ 20,384,218</u>	<u>\$ 21,346,201</u>	<u>\$ 22,367,487</u>	<u>\$ 23,822,678</u>	<u>\$ 26,789,833</u>	<u>\$ 27,010,603</u>
\$ 40,163,100	\$ 40,598,234	\$ 40,351,700	\$ 38,739,851	\$ 39,037,742	\$ 34,996,612
1,839,739	170,596	-	-	-	-
<u>1,476,233</u>	<u>3,245,106</u>	<u>4,343,063</u>	<u>3,975,540</u>	<u>1,653,454</u>	<u>5,554,415</u>
<u>\$ 43,479,072</u>	<u>\$ 44,013,936</u>	<u>\$ 44,694,763</u>	<u>\$ 42,715,391</u>	<u>\$ 40,691,196</u>	<u>\$ 40,551,027</u>
\$ 59,916,003	\$ 54,738,495	\$ 62,783,239	\$ 63,141,301	\$ 62,734,747	\$ 56,707,765
4,609,877	7,935,724	1,163,916	879,970	4,737,541	7,605,345
<u>(662,590)</u>	<u>2,685,918</u>	<u>3,115,095</u>	<u>2,516,798</u>	<u>8,741</u>	<u>3,248,520</u>
<u>\$ 63,863,290</u>	<u>\$ 65,360,137</u>	<u>\$ 67,062,250</u>	<u>\$ 66,538,069</u>	<u>\$ 67,481,029</u>	<u>\$ 67,561,630</u>

City of Mount Pleasant, Texas

CHANGES IN NET POSITION

Last Ten Fiscal Years

(accrual basis of accounting)

Table 2

	2013	2014	2015	2016
Expenses				
Governmental activities:				
General government	\$ 1,005,623	\$ 1,035,616	\$ 1,710,938	\$ 2,008,181
Public safety	5,949,251	5,918,178	5,883,502	6,540,258
Public Services	644,860	711,463	562,802	621,795
Parks and Recreation	635,751	699,388	648,588	690,461
Public works	1,986,283	5,366,980	1,740,343	1,826,322
Library	789,171	562,332	564,061	611,154
Interest and fiscal charges	193,767	278,887	277,200	259,199
Total governmental activities	<u>11,204,706</u>	<u>14,572,844</u>	<u>11,387,434</u>	<u>12,557,370</u>
Business-type activities:				
Water and Sewer	7,967,467	8,637,099	8,687,052	9,057,408
Airport Fund	1,448,971	1,426,482	1,392,013	1,275,439
Civic Center	390,400	501,263	527,404	524,076
Total business-type activities	<u>9,806,838</u>	<u>10,564,844</u>	<u>10,606,469</u>	<u>10,856,923</u>
Total primary government	<u>\$ 21,011,544</u>	<u>\$ 25,137,688</u>	<u>\$ 21,993,903</u>	<u>\$ 23,414,293</u>
Governmental activities:				
Charges for services				
General government	20,240	27,081	25,770	25,078
Public safety	640,974	851,275	1,007,322	977,419
Public Services	26,731	49,334	37,142	36,498
Public works	127,103	147,847	166,749	143,165
Parks and Recreation	54,941	50,167	54,339	57,559
Library	7,722	8,492	6,604	4,286
Operating grants/contributions	115,798	35,000	173,136	-
Capital grants/contributions	455,778	551,299	578,337	691,059
Total governmental activities	<u>1,449,287</u>	<u>1,720,495</u>	<u>2,049,399</u>	<u>1,935,064</u>
Business-type activities:				
Charges for services:				
Water and sewer	11,137,004	9,838,779	10,004,701	9,776,518
Airport	1,033,470	968,808	898,846	897,508
Civic center	97,670	102,401	79,515	88,981
Operating grants and contributions	2,497	15,432	22,336	27,612
Capital grants and contributions	670,989	1,264,583	-	-
Total business-type activities	<u>12,941,630</u>	<u>12,190,003</u>	<u>11,005,398</u>	<u>10,790,619</u>
Total primary government	<u>\$ 7,756,791</u>	<u>\$ 7,275,540</u>	<u>\$ 13,054,797</u>	<u>\$ 12,725,683</u>
Net (Expense)/Revenue				
Governmental activities	\$ (5,094,421)	\$ (5,364,255)	\$ (9,338,035)	\$ (10,622,306)
Business-type activities	1,147,806	257,503	398,929	(66,304)
Total primary government	<u>\$ (3,946,615)</u>	<u>\$ (5,106,752)</u>	<u>\$ (8,939,106)</u>	<u>\$ (10,688,610)</u>

	2017	2018	2019	2020	2021	2022
\$	2,327,564	\$ 3,013,630	\$ \$ 1,653,454	\$ 2,447,119	\$ 3,401,920	\$ 3,573,865
	7,159,767	8,408,833	9,598,062	9,349,911	9,156,779	9,406,770
	704,173	804,786	344,203	160,859	-	-
	701,994	847,436	1,505,577	1,610,785	1,916,968	2,910,578
	1,762,260	1,960,212	1,724,711	2,429,084	2,844,387	3,859,438
	668,071	-	-	-	-	-
	278,863	573,410	490,322	567,594	431,244	523,361
	13,602,692	15,608,307	15,316,329	16,565,352	17,751,298	20,274,012
	9,534,141	9,544,722	9,580,684	10,769,947	13,299,833	13,335,278
	1,284,235	1,410,670	1,416,507	1,294,688	1,355,083	1,624,193
	507,477	470,543	453,072	-	-	-
	11,325,853	11,425,935	11,450,263	12,064,635	14,654,916	14,959,471
\$	24,928,545	\$ 27,034,242	\$ 26,766,592	\$ 28,629,987	\$ 32,406,214	\$ 35,233,483
	26,992	-	1,226,820	1,287,558	1,366,827	1,439,582
	1,369,290	1,455,719	902,940	635,225	678,302	747,849
	42,754	63,644	-	-	-	-
	177,241	-	-	-	-	-
	47,675	162,361	-	-	-	-
	4,620	-	-	-	-	-
	-	1,142,032	157,192	265,806	2,785,189	7,313
	757,224	-	432,210	761,462	1,400,000	2,067,701
	2,425,796	2,823,756	2,719,162	2,950,051	6,230,318	4,262,445
	10,353,769	11,345,594	11,707,347	11,409,873	12,240,416	14,565,579
	840,575	805,365	839,524	755,627	797,561	1,107,204
	89,430	123,628	73,759	-	-	-
	7,506	26,972	-	-	259,500	129,182
	-	-	-	-	-	-
	11,291,280	12,301,559	12,620,630	12,165,500	13,297,477	15,801,965
\$	13,717,076	\$ 15,125,315	\$ 15,339,792	\$ 15,115,551	\$ 19,527,795	\$ 20,064,410
\$	(11,176,896)	\$ (12,784,551)	\$ (12,597,167)	\$ (13,615,301)	\$ (11,520,980)	\$ (16,011,567)
	(34,573)	875,624	1,170,367	100,865	(1,357,439)	842,494
\$	(11,211,469)	\$ (11,908,927)	\$ (11,426,800)	\$ (13,514,436)	\$ (12,878,419)	\$ (15,169,073)

City of Mount Pleasant, Texas

CHANGES IN NET POSITION (Continued)

Last Ten Fiscal Years

(accrual basis of accounting)

Table 2

	2013	2014	2015	2016
General Revenues				
Governmental activities:				
Taxes:				
Property taxes	\$ 2,521,965	\$ 2,825,580	\$ 2,960,832	\$ 3,074,506
Sales tax	3,506,284	3,751,025	3,926,335	4,302,977
Non-Property taxes	520,940	574,896	568,608	583,520
Franchise and other taxes	1,229,627	1,269,554	1,255,336	1,179,533
Investment Income	22,489	8,892	8,286	34,226
Royalties	128,022	137,542	157,458	572,289
Other income	-	-	-	-
Gain (loss) on sale of assets	382,347	380,154	388,322	376,883
Special items	-	-	-	-
Transfers, net	843,608	839,197	650,975	756,116
Total governmental activities	<u>9,155,282</u>	<u>9,786,840</u>	<u>9,916,152</u>	<u>10,880,050</u>
Business-type activities:				
Investment Income	13,394	8,058	6,514	22,617
Miscellaneous	77,738	285,030	145,916	56,380
Intergovernmental Revenue	-	-	-	-
Transfers, net	(843,608)	(839,197)	(650,975)	(756,116)
Total business-type activities	<u>(752,476)</u>	<u>(546,109)</u>	<u>(498,545)</u>	<u>(677,119)</u>
Total primary government	<u>\$ 8,402,806</u>	<u>\$ 9,240,731</u>	<u>\$ 9,417,607</u>	<u>\$ 10,202,931</u>
Change in Net Position				
Governmental activities	\$ 4,060,861	\$ 4,422,585	\$ 578,117	\$ 257,744
Business-type activities	395,330	(288,606)	(99,616)	(743,423)
Total primary government	<u>\$ 4,456,191</u>	<u>\$ 4,133,979</u>	<u>\$ 478,501</u>	<u>\$ (485,679)</u>

Source: Annual Financial Report

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$	3,058,493	\$ 3,258,505	\$ 3,803,341	\$ 4,108,990	\$ 4,206,268	\$ 4,336,425
	4,386,891	4,564,492	4,764,917	5,654,458	5,834,265	6,435,353
	564,708	556,741	559,262	-	-	723,194
	1,164,889	1,226,097	1,183,180	1,776,649	2,119,057	1,342,851
	80,535	262,404	298,847	119,081	24,211	81,218
	114,768	545,064	982,394	701,295	758,028	1,000,794
	-	-	-	485,690	410,709	606,340
	536,862	547,225	395,626	-	-	-
	-	21,575	-	-	-	-
	848,173	969,895	1,259,691	2,224,329	1,079,973	1,706,162
	<u>10,755,319</u>	<u>11,951,998</u>	<u>13,247,258</u>	<u>15,070,492</u>	<u>14,432,511</u>	<u>16,232,337</u>
	41,094	64,522	103,711	46,255	28,894	427,420
	291,889	164,635	124,529	97,837	384,323	296,079
	-	14,925	-	-	-	-
	<u>(848,173)</u>	<u>(969,895)</u>	<u>(1,258,766)</u>	<u>(2,224,329)</u>	<u>(1,079,973)</u>	<u>(1,706,162)</u>
	<u>(515,190)</u>	<u>(725,813)</u>	<u>(1,030,526)</u>	<u>(2,080,237)</u>	<u>(666,756)</u>	<u>(982,663)</u>
\$	<u>10,240,129</u>	<u>\$ 11,226,185</u>	<u>\$ 12,216,732</u>	<u>\$ 12,990,255</u>	<u>\$ 13,765,755</u>	<u>\$ 15,249,674</u>
\$	(421,577)	\$ (832,553)	\$ 650,091	\$ 1,455,191	\$ 2,911,531	\$ 220,770
	(549,763)	149,811	139,841	(1,979,372)	(2,024,195)	(140,169)
\$	<u>(971,340)</u>	<u>\$ (682,742)</u>	<u>\$ 789,932</u>	<u>\$ (524,181)</u>	<u>\$ 887,336</u>	<u>\$ 80,601</u>

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

Table 3

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General fund:				
Nonspendable	\$ 15,241	\$ 7,202	\$ 23,253	\$ 6,161
Committed	-	-	16,551	19,252
Restricted	973,559	284,273	946,711	935,860
Assigned	-	-	-	-
Unassigned	1,427,882	2,164,685	1,928,156	2,048,570
Total general fund	<u>\$ 2,569,833</u>	<u>\$ 2,564,978</u>	<u>\$ 2,914,671</u>	<u>\$ 3,009,843</u>
All other governmental funds:				
Restricted	\$ 7,670,296	\$ 2,688,170	\$ 517,123	\$ 474,621
Assigned	3,285,854	3,655,976	5,658,959	5,120,689
Unassigned	(106,717)	(134,924)	(130,886)	(118,641)
Total all other governmental funds	<u>\$ 6,798,415</u>	<u>\$ 6,209,222</u>	<u>\$ 6,045,196</u>	<u>\$ 5,476,669</u>

Source: Annual Financial Report

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 9,117	\$ 15,215	\$ 17,653	\$ 2,900	\$ -	\$ -
23,816	23,231	-	-	-	-
989,632	185,934	471,762	216,229	2,194,763	3,771,817
-	-	16,742	16,742	25,916	16,710
1,763,186	2,399,531	-	2,700,578	1,901,191	1,334,139
<u>\$ 2,785,751</u>	<u>\$ 2,623,911</u>	<u>\$ 506,157</u>	<u>\$ 2,936,449</u>	<u>\$ 4,121,870</u>	<u>\$ 5,122,666</u>
\$ 503,175	\$ 7,579,194	\$ 597,807	\$ 599,477	\$ 2,701,250	\$ 4,149,773
3,458,766	3,079,878	390,896	355,125	2,098,251	1,033,922
(131,511)	30,244	-	(272,752)	-	(5,959)
<u>\$ 3,830,430</u>	<u>\$ 10,689,316</u>	<u>\$ 988,703</u>	<u>\$ 681,850</u>	<u>\$ 4,799,501</u>	<u>\$ 5,177,736</u>

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

Table 4

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Revenues				
Property taxes	\$ 2,634,672	\$ 2,745,472	\$ 2,960,832	\$ 3,098,745
Non-Property taxes	520,940	574,896	568,608	583,520
Sales tax	3,506,284	3,751,025	3,926,335	4,302,977
Franchise and local taxes	1,249,867	1,296,635	1,281,106	1,204,611
Fines and Forfeitures	648,697	752,660	890,505	959,116
Licenses and Permits	55,023	74,102	94,035	68,674
Charge for Services	153,752	173,247	164,194	168,547
Intergovernmental revenues-local & state	374,681	476,189	662,968	610,427
Grants	68,160	35,222	47,730	41,381
Donations	12,937	39,888	40,775	39,250
Royalties	382,347	380,154	388,322	376,883
Investment Income	22,489	8,892	8,286	34,227
Miscellaneous	128,020	182,215	280,880	618,555
Total Revenues	<u>9,757,869</u>	<u>10,490,597</u>	<u>11,314,576</u>	<u>12,106,913</u>
Expenditures				
General government	935,336	951,490	1,023,895	1,125,153
Public safety	5,430,193	5,682,460	5,818,590	6,621,607
Public Works	1,201,706	4,803,732	1,243,239	1,306,901
Public Services and Operations	632,170	686,206	574,836	684,779
Parks and Recreation	562,024	596,964	621,345	693,048
Library	301,417	313,559	328,002	320,013
Capital Outlay	1,750,310	2,243,319	1,490,095	1,938,566
Debt service				
Principal	240,000	410,000	434,121	467,363
Interest	257,064	312,713	277,200	259,200
Bond issuance costs	-	-	28,127	-
Total Expenditures	<u>11,310,220</u>	<u>16,000,443</u>	<u>11,839,450</u>	<u>13,416,630</u>
Revenues over (under) expenditures	(1,552,351)	(5,509,846)	(524,874)	(1,309,717)
Other Financing Sources (Uses)				
Transfers, net	843,608	839,197	650,976	827,313
Debt/Lease Proceeds	7,160,000	-	-	-
Payment to escrow agent	-	-	-	-
Debt Issuance Costs	-	-	-	-
Proceeds from sale of Assets	195,211	69,917	112,129	9,049
Total other financing sources	<u>8,198,819</u>	<u>909,114</u>	<u>763,105</u>	<u>836,362</u>
Net Change in Fund Balances	<u>\$ 6,646,468</u>	<u>\$ (4,600,732)</u>	<u>\$ 238,231</u>	<u>\$ (473,355)</u>
Ratio of total debt service expenditures to noncapital expenditures	5.20%	5.25%	7.14%	6.33%

Source: Annual Financial Report

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$	3,092,727	\$ 3,258,505	\$ 3,791,902	\$ 4,108,990	\$ 4,206,268	\$ 4,323,191
	564,708	556,741	-	-	-	723,194
	4,386,891	4,564,492	4,764,917	5,152,451	5,834,265	6,435,353
	1,191,881	1,226,097	1,183,180	2,278,656	2,119,057	1,342,851
	1,332,587	1,455,719	902,940	635,225	678,302	747,849
	102,397	63,644	76,210	206,254	235,768	287,177
	165,273	162,361	1,150,610	1,081,304	1,131,059	1,152,405
	693,436	1,067,447	157,192	1,459,478	4,185,189	2,075,014
	46,289	-	-	-	-	-
	17,499	74,585	-	-	-	-
	536,862	547,225	982,394	701,295	758,028	1,000,794
	80,535	262,404	298,847	119,081	24,211	81,218
	123,081	545,066	383,626	454,524	228,544	368,483
	<u>12,334,166</u>	<u>13,784,286</u>	<u>13,691,818</u>	<u>16,197,258</u>	<u>19,400,691</u>	<u>18,537,529</u>
	1,011,680	1,112,784	1,527,460	2,514,329	3,198,690	3,495,930
	7,365,738	7,947,088	8,978,987	8,865,060	8,900,566	9,042,394
	1,229,536	1,285,060	1,203,105	1,476,769	1,408,225	2,619,041
	740,021	785,824	299,245	131,517	-	-
	685,938	778,350	872,699	994,606	1,720,194	2,096,822
	389,364	412,658	393,873	421,307	446,887	497,044
	2,961,404	4,165,361	4,895,511	4,511,990	2,151,747	2,399,554
	481,739	501,739	552,178	741,166	740,253	1,024,270
	279,487	440,439	689,144	567,947	549,903	521,623
	-	764,930	-	142,691	-	119,186
	<u>15,144,907</u>	<u>18,194,233</u>	<u>19,412,202</u>	<u>20,367,382</u>	<u>19,116,465</u>	<u>21,815,864</u>
	(2,810,741)	(4,409,947)	(5,720,384)	(4,170,124)	284,226	(3,278,335)
	912,923	969,895	1,259,691	1,425,595	1,079,973	1,706,162
	-	8,440,000	-	3,322,054	54,090	6,930,531
	-	-	-	(3,215,951)	-	(4,350,000)
	-	-	-	-	-	-
	27,487	21,575	12,000	305,381	182,165	370,673
	<u>940,410</u>	<u>9,431,470</u>	<u>1,271,691</u>	<u>1,837,079</u>	<u>1,316,228</u>	<u>4,657,366</u>
\$	<u>(1,870,331)</u>	<u>\$ 5,021,523</u>	<u>\$ (4,448,693)</u>	<u>\$ (2,333,045)</u>	<u>\$ 1,600,454</u>	<u>\$ 1,379,031</u>
	6.25%	12.17%	8.55%	8.26%	7.60%	7.96%

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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
2013	\$ 830,890,842	\$ 242,412,861	\$ 265,044,461	\$ 808,259,242	\$ 0.3433
2014	888,098,290	196,777,198	268,324,956	816,550,532	0.3437
2015	832,561,738	277,414,497	259,605,301	850,370,934	0.3437
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	0.3602

Tax rates per \$100 of assessed valuation.

Source: Titus County Appraisal District as of March 1 adjustments.

City of Mount Pleasant, Texas

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Years

Table 6

	2013	2014	2015	2016
Direct Rates:				
City of Mount Pleasant - Operating	0.3143	0.3139	0.3138	0.3411
City of Mount Pleasant - Debt Service	0.0290	0.0298	0.0299	0.0026
City of Mount Pleasant - Cemetery	-	-	-	-
Total Direct Rate	0.3433	0.3437	0.3437	0.3437
Overlapping Rates:				
Mount Pleasant ISD	1.2030	1.2120	1.2120	1.2120
Titus County	0.4152	0.4182	0.4475	0.4584
Total Direct and Overlapping Rates	1.9615	1.9739	2.0032	2.0141

Tax rates per \$100 of assessed valuation.

Source: Titus County Appraisal District

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
0.3140	0.3135	0.3016	0.2987	0.2952	0.2894
0.0297	0.0577	0.0696	0.0696	0.0698	0.0698
-	-	-	0.0029	0.0028	0.0028
<u>0.3437</u>	<u>0.3712</u>	<u>0.3712</u>	<u>0.3712</u>	<u>0.3678</u>	<u>0.3620</u>
1.2390	1.2180	1.3400	1.2917	1.2590	1.1592
0.4790	0.5085	0.4742	0.4679	0.4669	0.4263
<u>2.0617</u>	<u>2.0977</u>	<u>2.1854</u>	<u>2.1308</u>	<u>2.0937</u>	<u>1.9475</u>

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City of Mount Pleasant, Texas

PRINCIPAL PROPERTY TAXPAYERS

Current Year

Table 7

Property Tax Payer	Type of Business	2022		
		Taxable Assessed Value	Rank	% of Taxable Assessed Value
Pilgrims	Food Packaging/Processing	\$ 75,075,000	1	6.45%
Priefert Manufacturing Co. ACCT	Industrial Manufacturing	58,826,560	2	5.05%
Newly Weds Foods Inc.	Food Packaging/Processing	24,252,430	3	2.08%
Diamond C Trailers	Industrial Manufacturing	18,362,713	4	1.58%
Southwestern Electric Power Co.	Electric Utility Power Plant	16,391,070	5	1.41%
Priefert Manufacturing Co. Inc	Industrial Manufacturing	14,430,900	6	1.24%
Angell Realty VI	Real Estate	14,066,543	7	1.21%
Trans Texas Tire LLC	Tire / Wheel Components	13,560,080	8	1.16%
TSCA-337 LLC	Shopping Center (Super 1Area)	10,100,000	9	0.87%
Wal-mart Real Estate Business Trust	Retail	9,963,749	10	0.86%
Total		<u>\$ 255,029,045</u>		<u>21.91%</u>
Total Assessed Valuation		<u>\$ 1,164,090,607</u>		<u>100.00%</u>

Source: Titus County Appraisal District

¹ Nine years from current year was not available for presentation

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Tax levy	\$ 2,803,218	\$ 2,922,725	\$ 3,029,813	\$ 3,029,813
Current tax collected	\$ 2,656,610	\$ 2,793,248	\$ 2,942,251	\$ 3,013,755
Percent of current tax collections	94.77%	95.57%	97.11%	99.47%
Delinquent tax collections	\$ 144,727	\$ 126,344	\$ 83,161	\$ 10,961
Total tax collections	\$ 2,801,337	\$ 2,919,592	\$ 3,025,412	\$ 3,024,716
Total collections as a percentage of levy	99.93%	99.89%	99.85%	99.83%

Source: Titus County Tax Office

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$	3,119,366	\$ 3,194,376	\$ 3,768,852	\$ 4,086,217	\$ 4,117,800	\$ 4,215,046
\$	3,065,713	\$ 3,142,308	\$ 3,700,636	\$ 4,000,406	\$ 4,058,400	\$ 4,150,757
	98.28%	98.37%	98.19%	97.90%	98.56%	98.47%
\$	44,089	\$ 43,729	\$ 54,780	\$ 62,579	\$ 22,213	\$ -
\$	3,109,802	\$ 3,186,037	\$ 3,755,416	\$ 4,062,985	\$ 4,080,613	\$ 4,150,757
	99.69%	99.74%	99.64%	99.43%	99.10%	98.47%

City of Mount Pleasant, Texas

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Years

Table 9

	2013	2014	2015	2016
Governmental activities:				
General Obligation Bonds	\$ -	\$ -	\$ -	\$ -
Certificates of Obligation	11,303,617	10,887,111	10,448,100	9,986,344
Premiums	-	-	-	-
Leases/notes payable	-	-	-	-
Business-type activities:				
General Obligation Bonds	-	-	-	-
Certificates of Obligation	-	-	-	-
Premiums	-	-	-	-
Discounts	-	-	-	-
Leases/notes payable	-	-	-	-
Contract Revenue Bonds	29,528,277	28,346,064	27,144,548	25,913,032
Total primary government	\$ 40,831,894	\$ 39,233,175	\$ 37,592,648	\$ 35,899,376

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

Source: Annual Financial Report

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ -	\$ -	\$ -	\$ 2,870,000	\$ 2,685,000	\$ 6,541,000
9,509,488	17,365,000	16,825,000	12,955,000	12,440,000	7,920,000
-	-	701,569	1,039,917	916,027	701,854
-	-	11,166	305,381	688,486	2,908,747
3,020,859	2,410,000	1,735,000	1,465,000	1,205,000	950,000
-	-	-	3,985,000	59,545,000	59,460,000
-	-	-	149,980	2,308,846	2,264,951
-	-	(45,999)	(39,428)	(32,858)	(26,286)
-	-	11,165	-	238,482	682,404
21,625,000	20,975,000	20,305,000	19,180,000	18,035,000	16,870,000
<u>\$ 34,155,347</u>	<u>\$ 40,750,000</u>	<u>\$ 39,542,901</u>	<u>\$ 41,910,850</u>	<u>\$ 98,028,983</u>	<u>\$ 98,272,670</u>

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
NET TAXABLE ASSESSED VALUE (2)				
All property	\$ 816,550,532	\$ 850,370,934	\$ 881,528,357	\$ 881,528,357
NET BONDED DEBT (3)				
Gross bonded debt	38,013,420	37,136,898	34,664,243	13,460,000
Less debt service funds	-	-	-	-
Net Bonded Debt	<u>\$ 38,013,420</u>	<u>\$ 37,136,898</u>	<u>\$ 34,664,243</u>	<u>\$ 13,460,000</u>
RATIO OF NET BONDED DEBT TO ASSESSED VALUE	4.66%	4.37%	3.93%	1.53%
POPULATION (1)	16,006	15,929	16,018	16,419
TAXABLE ASSESSED VALUATION PER CAPITA	51,015	53,385	55,034	53,690
NET BONDED DEBT PER CAPITA	\$ 2,375	\$ 2,331	\$ 2,164	\$ 820

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

(1) Source: City Staff and Statistical Projections based on U.S. Census Bureau data.

(2) As Reported by the Appraisal District

(3) Include Self-supported debt

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 907,583,808	\$ 929,408,262	\$ 1,015,315,640	\$ 1,104,264,714	\$ 1,127,986,307	\$ 1,370,223,180
12,495,000	19,775,000	18,560,000	21,275,000	20,315,000	24,361,000
-	-	-	-	-	509,379
<u>\$ 12,495,000</u>	<u>\$ 19,775,000</u>	<u>\$ 18,560,000</u>	<u>\$ 21,275,000</u>	<u>\$ 20,315,000</u>	<u>\$ 24,870,379</u>
1.38%	2.13%	1.83%	1.93%	1.80%	1.82%
16,566	16,714	16,863	17,014	17,167	16,361
54,786	55,607	60,210	64,903	65,707	83,749
\$ 754	\$ 1,183	\$ 1,101	\$ 1,250	\$ 1,183	\$ 1,520

City of Mount Pleasant, Texas

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

September 30, 2022

Table 11

Governmental Unit	Net Bonded Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Mount Pleasant Independent School District	\$ 89,790,000	80.00%	\$ 71,832,000
Northeast Texas CCD	26,786,257	26.00%	6,964,427
Titus County	100,529,000	55.00%	55,290,950
Titus County FWSD #1	-	0.00%	-
Titus County Hospital District	-	49.00%	-
Subtotal, overlapping debt			134,087,377
City direct debt	24,361,000	100.00%	24,361,000
Total direct and overlapping debt			\$ 158,448,377

Sources: Hilltop Securities and City Staff

City of Mount Pleasant, Texas

LEGAL DEBT MARGIN INFORMATION

Current Fiscal Year

Table 12

Net Assessed Value	\$ 1,370,223,180
Plus Exempt Property	<u>395,026,366</u>
Total Assessed Value	<u><u>1,765,249,546</u></u>
Debt Limit - (10%) of Total Assessed Value	176,524,955
Less amount of debt applicable to debt limits	\$ 105,035,000
Legal Debt Margin	<u><u>71,489,955</u></u>
The Debt Rate legal limit percentage	4%

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
2013	\$ 12,402,521	\$ 7,856,676	\$ 4,545,845	\$ 1,389,497	3.27
2014	10,126,495	6,849,580	3,276,915	1,521,694	2.15
2015	10,148,404	7,129,738	3,018,666	1,542,945	1.96
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

Source: Comprehensive annual financial report

- (1) Gross Revenue includes all water and sewer revenues.
- (2) Operating expense includes all water and sewer 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	Per Capita Personal Income	Median Household Income	Median Age
2013	16,006	16,000	42,939	29.9
2014	15,929	16,000	42,856	28.3
2015	16,018	15,762	44,178	29.2
2016	16,419	17,165	45,026	30.1
2017	16,566	15,762	46,980	29.2
2018	16,714	17,165	45,604	30.1
2019	16,863	18,366	43,819	32
2020	17,014	19,893	48,567	31.6
2021	17,167	21,730	48,240	32.7
2022	16,361	20,352	49,853	31.4

(1) Source: 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 9/30/2022	
		Employees	Rank
Pilgrim's Pride	Poultry Processor	3,100	1
Priefert Manufacturing	Public School	1,000	2
Mount Pleasant ISD	Ranch Equipment	839	3
Diamond C Trailers	Medical Center	660	4
Titus Regional Medical Center	Trailers	654	4
Big Tex Trailer Mfg., Inc.	Trailer Manufacturer	435	6
Wal-Mart Supercenter	Discount Retail Store	384	7
Newly Weds Foods	Coal Mining	234	8
Chapel Hill ISD	Electric Utility	175	9
City of Mount Pleasant	City Government	170	10
Best Fender Products		170	11
Total		<u>7,821</u>	

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

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General government and administration	8	8	10	9	9	10	11	11	18	23
Public safety	67	73	75	75	81	81	80	80	80	86
Public works	10	10	10	12	12	13	12	11	14	10
Community develop.	13	13	13	13	13	13	13	13	10	11
Culture and recreation	20	21	22	22.5	23.5	23.5	22.5	22.5	19.5	30.0
Water and sewer	27	27	27	32	32	32	34	34	37	26
EDC	-	-	-	1	1	1	1.5	2	2	2
Total	<u>145</u>	<u>152</u>	<u>157</u>	<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>

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	2013	2014	2015	2016
Public Safety:				
Municipal Court				
Number of cases filed	5,310	7,318	7,517	5,807
Police:				
Citation issued	3,568	3,610	3,493	6,073
Fire:				
Number of calls answered	1,351	1,380	1,166	1,064
Number of inspections	242	330	488	401
Animal Control				
Number of calls answered	938	1,015	781	774
Public Works:				
Number of streets maintained	272	293	293	250
Code Compliance:				
Number of Inspections	N/D	N/D	N/D	N/D
Water:				
New connections	28	23	25	120
Average daily consumption (millions of gallons)	7.2	7.3	7.8	6
Wastewater:				
Average daily sewage treatment (millions of gallons)	1.6	1.8	1.7	2.1

Sources: Various City departments.

N/D : No reliable data

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
7,668	8,325	4,871	4,447	4,583	5,200
9,899	10,846	5,795	3,131	3,062	3,666
1,092	898	829	818	878	1,089
388	358	62	54	77	417
834	815	814	989	799	936
282	282	272	345	260	260
N/D	N/D	427	1,129	1,929	4,229
17	27	26	30	69	69
6.45	6.32	6.64	7.71	6.06	6.06
2.1	2.1	2.43	2.81	2.23	2.23

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

Function/Program	2013	2014	2015	2016
Public safety:				
Police Stations	1	1	1	1
Patrol units	12	12	12	12
Fire Stations	2	2	2	2
Public works:				
Streets (miles)	105.3	105.9	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	n/a	n/a	n/a	n/a
Number of football fields	n/a	n/a	n/a	n/a
Water:				
Water mains (miles)	205	205	205	205
Number of fire hydrants	900	900	900	900
Storage capacity (millions of gallons)	7.2	7.2	7.6	7.6
Sewer:				
Sanitary sewers (miles)	185	185	185	190
Airport:				
Runaways maintained (feet)	6,000	6,000	6,000	6,000

Sources: Various City departments.

(1) Does not include HOA playgrounds.

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
1	1	1	1	1	1
12	12	12	12	12	12
2	2	2	2	2	2
110.4	110.4	110.4	110.4	110.4	110.4
188.08	188.08	188.08	188.08	333.08	795.00
6	6	6	6	7	6
20	20	20	20	24	19
n/a	n/a	n/a	n/a	n/a	18
n/a	n/a	n/a	n/a	n/a	1
205	205	205	205	205	207
900	900	900	900	900	900
7.6	7.6	7.6	7.6	7.6	7.6
190	190	190	190	190	190
6,000	6,000	6,000	6,000	6,000	6,000