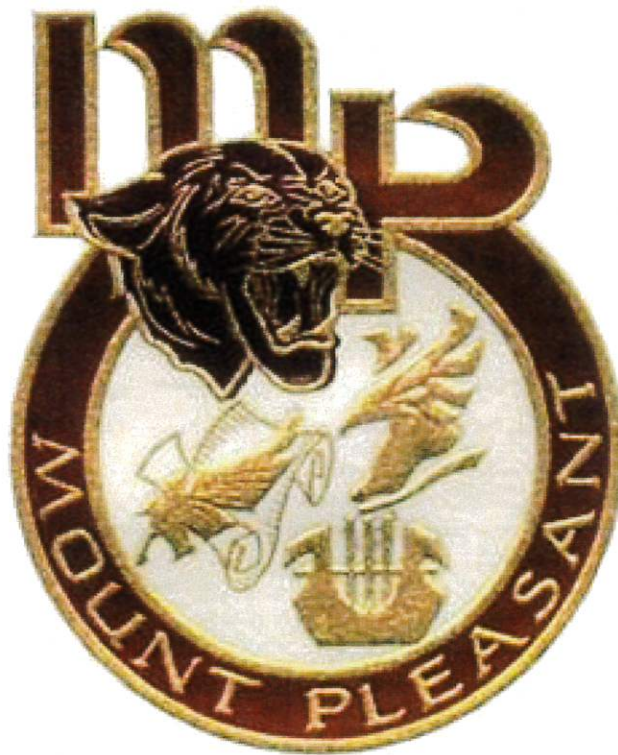


MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT

Mount Pleasant, Iowa



Annual Comprehensive Financial Report

**For the Fiscal Year
Ended June 30, 2023**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT
of the**

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT

Mount Pleasant, Iowa

For the fiscal year ended June 30, 2023



OFFICIAL ISSUING REPORT

W. Edward Chabal

Director of Finance

OFFICE ISSUING REPORT

Business Office

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT

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MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT
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Introductory Section



Mt. Pleasant Community School District

"Learning for a Lifetime"

Central Office
400 East Madison Street
Mt. Pleasant, IA 52641

Phone: 319-385-7750

Dr. John Henriksen, Superintendent
Kathleen Gavin, Director of Instruction
W. Edward Chabal, Director of Business
and Finance
Fax: 319-385-7788

December 21, 2023

Members of the Board of Education and Residents
Mt. Pleasant Community School District
Mt. Pleasant, Iowa

We are pleased to submit to you the Annual Comprehensive Financial Report of the Mt. Pleasant Community School District for the year ending June 30, 2023. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed information is fairly stated in all material respects and is presented in a manner which sets forth the financial position and results of operations of the various funds and account groups of the District in accordance with generally accepted accounting principles, (GAAP). It includes all funds and account groups of the District. The District is not included in any other reporting entity, nor are other entities included within this report. All disclosures necessary to enable a reader to gain maximum understanding of the District's financial activities have been included.

To facilitate the understanding of the District's financial affairs, the Annual Comprehensive Financial Report (ACFR) is presented in four sections:

Introductory Section – This section includes this transmittal letter, the Certificate of Excellence in Financial Reporting for the year ended June 30, 2022, a list of principal officers and the District's organizational chart.

Financial Section – This section includes the management's discussion and analysis, the basic financial statements – government-wide statements and fund statements, required supplementary information, notes to the financial statements and the report of the independent accountants on the financial statements and schedules.

Statistical Section – This section includes selective financial, economic and demographic information, generally presented on a multi-year basis for comparative purposes.

Compliance Section – This section includes audit reports relating to the Board's single audit over internal control, federal and state awards, as well as a Schedule of Expenditures of Federal and State Awards.

This letter of transmittal is designed to compliment the Management's Discussion and Analysis included within the financial section of the ACFR and should be read in conjunction with it.

Mt. Pleasant Community School District

The District is governed by a seven-member elected Board of Education who serve staggered terms of four years. The Board of Education is a policy-making and planning body whose decisions are carried out by school administrators. The District is the 53rd largest of Iowa's 327 public school systems. The enrollment is approximately 1,864 students. The District operates one regular and one alternative high school, one middle school and four elementary schools. The District provides a full range of educational services appropriate to students in early childhood and grades kindergarten through twelve. These services include regular and enriched academic education; special education for children with special needs; vocational education; and numerous individualized programs such as specialized instruction for students at-risk and for limited English speaking students. A District Preschool program was implemented for the 2013-2014 school year.

The District is supported financially by state aid, property taxes, income surtaxes, state and federal grants for special projects and local revenue received for tuition and other services.

Economic Condition and Outlook

The City of Mt. Pleasant is located in southeastern Iowa at the intersection of U.S. Highways 34 and 218. Construction of a new highway is complete that makes Highway 218 a four-lane north/south corridor from St. Paul, Minnesota to St. Louis, Missouri, otherwise known as the Avenue of the Saints. Highway 34 also serves as an expressway from Burlington to Des Moines that gives Mt. Pleasant four-lane access to the East and West Coasts. The community also boasts a local airport and Amtrak train service. All of this indicates that Mt. Pleasant is truly a transportation hub of Southeast Iowa.

With Fortune 500 companies such as Federal Express, Hearth and Home Technologies and WalMart located in Mt. Pleasant, the community has already earned a reputation for providing a significant and diverse employment base for southeast Iowa. Over the years, expansion has come from within and from attracting complementary industries.

Retail sales in Mt. Pleasant totaled \$165,043,858 million in 2021. Compared to 2020, sales increased \$5,277,790 or 3.3%. Retail sales in Mt. Pleasant amounted to \$17,868 per capita in 2021 compared to \$17,261 in 2020. The number of retail firms in Mt. Pleasant decreased by one firm from 2020 to 2021 while the average sales per firm increased from \$426,612 to \$441,589. This data reflects the most recent data available to the District.

In February of 2005, a vote was held to approve a one-cent local option sales tax which was projected to bring in annual revenues of approximately \$1.1 million at that time. Sixty percent of the voters approved the sales tax which may be used for school infrastructure purposes and/or property tax relief. Prior to the vote, a ten-year building repair and expansion plan was assembled by the District to ensure that future building needs are addressed. In September of 2006, the one-cent sales tax was extended to 2022 with an eighty-two percent approval. This allowed the District to issue \$8.5 million in sales tax revenue bonds to finance a Middle School construction and remodel project. Sales tax revenues for the 2022-2023 school year totaled \$2,197,636 which is \$358,840 less than the revenues received in 2021-2022. The Iowa legislature has since extended the local option sales tax bill through calendar year 2050.

The District conducted a Master facility study in the Fall of 2013 to assess the comprehensive facility needs of the District. Recommendations were made by a Facility Committee to the Board of Directors in April of 2015. The priority for the Board of Directors is to air condition the four elementary school buildings. The project was started in the summer of 2017 and was completed in the summer of 2018. All District K-12 buildings are now air conditioned. In addition, the Board committed to security upgrades in all K-12 buildings. That project was completed in the fall of 2019.

The District's facilities are in average to good condition. The District's middle school was built in 1909, the District's four elementary schools were built between 1950 and 1963, and the high school in 2000, each has had addition and remodel work done over the years. The remaining

school sites were built between 1963 and 2008. A new facilities assessment was started in the 2021-2022 school year and continues to be ongoing.

Current tentative budget projections indicate that the 2024-2025 control budget will increase approximately \$116,521 or .85% based on an estimated state allowable growth of 3%. The new money for 2024-2025 is due to the state funding formula. This formula projects an increase or decrease for a one-year period based on October's enrollment for the current budget year multiplied by the state cost per pupil for the 2024-2025 school year based upon an allowable growth percentage. In previous years, this allowable growth has fluctuated between 0% to 4%. Given the current financial status of the State of Iowa, there is a good possibility that this allowable growth rate will remain in the 1% to 3% range in the near future. Due to the decline in the certified enrollment count from 1791.9 to 1733.25, the District falls under the 101% adjustment that guarantees the District regular program district cost will increase one percent over the prior year regular program cost without the budget guarantee. The budget guarantee for 2024-2025 is estimated to be \$187,691 and is passed on to the local property taxpayers according to Iowa code.

Since student enrollment is a key piece of the finance formula in Iowa, the District closely monitors enrollment of the District. The District has experienced declining enrollment in fourteen of the last sixteen years. As with many rural school districts in Iowa, the District is expecting a decline in enrollment in the foreseeable future due to many families migrating to the urban areas. Recent history has shown that the District could potentially see a decline of 25 to 30 students per year in the near future.

The financial solvency ratio of the District is a measure of the District's year-end position after payment of all current and outstanding or accrued liabilities. After improving the ratio to a positive number during the 1993-94 school year, the financial indicator has climbed to over ten percent. During fiscal year 1999-2000, the ratio dipped to just over four percent due to a board authorized expenditure to equip the new High School. A decline from 4.23% in the 2000-2001 fiscal year to 2.45% in the 2001-2002 fiscal year can be attributed to an across-the-board state funding cut of 4.3% of state foundation aid. The decline in the solvency ratio from 10.38% in 2007-2008 can in part be attributed to expenses related to construction on the Middle School renovation project and a statewide 10% across the board reduction in state aid for fiscal year 2009-2010. The current solvency ratio is 21.60%, which is slightly higher than the target range of seven to seventeen percent as set by the local Board of Directors. Some of the increase in the solvency ratio for 2022-2023 can be attributed to the receipt of COVID funding to offset some expenditures. The board must continue to monitor the amount of salary settlements compared to additional dollars coming into the District due to the funding formula to keep the solvency ratio in the target range.

Major Initiatives and Achievements

The 2022-2023 school year was a productive one for the Mt. Pleasant Community School District. The District continued to expand technology, update curriculum and standards and invest in staff development with the goal of impacting student achievement.

Technology

The District continues to provide technology in-service programs for staff development to educate staff on the use of software programs and new hardware. Secondary staff continue to use a student management system, Infinite Campus, to communicate with parents and students. Secondary students continue to use software to investigate career choices.

The District is committed to a one to one technology initiative that was rolled out in the Middle School in the 2015-2016 school year and the High School in the 2016-2017 school year. In the spring of 2019, the District entered into a lease agreement with Apple computers to completely refresh the existing one to one technology. During the 2019-2020 school year with the COVID-19 pandemic, the District went to remote learning and found it necessary to provide technology devices to K-12 students. The District has returned to all in-person learning but continues to take advantage of the one to one technology initiative. In May of 2022, the District entered into a new lease agreement with Apple to completely refresh the technology of the District.

Student Achievement

Iowa School Performance Profile results showed growth in four of our seven attendance centers for the 2022-2023 school year, with five buildings now listed as acceptable, one at commendable, and one at exceptional. We are also seeing gains in both English Language Arts and Math, especially at the elementary level, as more than 70% of students at all elementary schools are now meeting the proficiency achievement benchmark.

An additional academic indicator is the attendance of students. Research tells us that students need to be in school to excel in the classroom or to fulfill their individual potential. The ratio of average daily attendance to average daily membership for the 2022-2023 school year was 92.55%. A program implemented for at-risk students in grades 6 – 8 continues to assist Middle School at-risk students. An alternative High School continues to meet the needs of students in grades 9-12.

The District uses federal and state class size reduction funds to increase the number of kindergarten to third grade certified teachers who directly teach reading. Research-based reading strategies remain the basis of classroom teacher staff development. Individual reading assessments are used to track primary student progress in reading.

Community Involvement

The Mt. Pleasant Community School District continues to encourage input and participation from the community. During the 2022-2023 school year, volunteers contributed more than 20,000 hours of service. Volunteers enhanced our students' learning experiences by serving as tutors and classroom resource speakers, assisting teachers in class or on field trips, helping interview for teacher and administrator openings, supporting extra-curricular events and serving on district and building-level committees.

Many Mt. Pleasant area residents served on school advisory committees in 2022-2023, on topics ranging from school improvement, to facilities, to technology, to hiring. Their input and involvement ensure that the District reflects the needs and values of the community. A community group was responsible for raising funds to implement a Vocational Agriculture program back in the schools beginning with the 2019-2020 school year.

In addition, the Mt. Pleasant Community School District Parent-Teacher Association continued their active involvement in support of District students, staff and programs this year. The PTA also provided hundreds of volunteer hours in the buildings and classrooms.

Mission Statement

The mission statement of the Mt. Pleasant Community School District is to develop responsible, productive, lifelong learners for a changing world by effectively using all available resources.

In addition, the Board has expectations for student learning that it sets forth as belief statements. They believe that:

- Education is the foundation of a lifelong learning process.
- Education is a partnership among students, staff, family and community.
- All students have a right to a quality education.
- Meeting the education needs of individual students is vital.
- Positive self-esteem is necessary for personal development.
- A quality staff is essential.
- A secure environment is fundamental.
- Continuous evaluation and improvement is an integral part of education.
- Accountability is necessary.

Financial Information

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. 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 a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management. All internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

In addition, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the District's governing body. Activities of the General Fund, Special Revenue Funds, Enterprise Fund and Debt Service Fund are included in the annual budget. The level of budgetary control, (that is, the level at which expenditures cannot legally exceed the budgeted amount) is established by function and encompasses all fund types. To facilitate the monitoring of the legal provisions, and to provide more complete information to interested parties, the District prepares a more detailed budget for each fund. The following information reflects the comprehensive budget for these individual funds rather than demonstrating compliance at the legal level. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

Basis of Presentation

In June 1999, the GASB issued Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments (GASB 34). This statement represents a significant change in the way state and local governments present basic financial information. Beginning in Fiscal year 2002-03, the District implemented this statement.

GASB 34 creates new basic financial statements for reporting on the District's financial activities. The financial statements now include entity-wide statements prepared on the accrual basis of accounting, and fund financial statements which presents information for individual major funds and aggregate non-major funds rather than by fund type.

The charts and accounts used by the District have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board and *Audits of States, Local Governments and Non-Profit Organizations* issued by the American Institute of Certified Public Accountants. In addition, the District's accounting records conform to the Uniform Accounting System for Iowa Schools and Area Educational Agencies issued by the Department of Education, State of Iowa. The chart of accounts is updated annually and the District is in full compliance with these requirements.

Financial Policy

In March of 2023, the District revised Policy 701.05 to set the desired solvency ratio of the District in the range of 7% to 17%. This policy gives the Board of Directors a clear measurement of the financial status of the District as they assess the current year financials as well as when they enter into discussion on funding future priorities of the District.

Independent Audit

State law and District policy require an annual audit to be made of the books of account, financial records and transactions of all funds of the District by a Certified Public Accountant selected by the Board of Directors of the District. We have complied with this requirement. The report of our independent accountants, Nolte, Cornman and Johnson, P.C., appears in this report. Their audit of the basic financial statements was performed in accordance with auditing standards generally accepted in the United States of America and, accordingly, included a review of the District's system of budgetary and accounting controls.

Certificate of Excellence in Financial Reporting

The Association of School Business Officials International (ASBO), awards a Certificate of Excellence in Financial Reporting. The Mt. Pleasant Community School District received this Certificate for its annual comprehensive financial report for the fiscal year ending June 30, 2022. This certificate is a prestigious national award recognizing conformance with the highest standards for preparation of government financial reports.

In order to receive the Certificate, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Report (ACFR), whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

This Certificate is valid for a period of one year only. We believe that our current ACFR conforms to the requirements for the Certificate of Excellence and therefore, we are submitting to ASBO to determine its eligibility for the Certificate.

Acknowledgements

The publication of this report is a major step toward the commitment to professionalism in financial reporting and significantly increases the accountability of the District to the taxpayers. This report would not have been possible without the help of several people. We would like to express our appreciation to all District, City and County employees who assisted in the preparation of this report.

Finally, sincere appreciation is extended to the Board of Education, where commitment to excellence begins.

It is with great pride that this year's Comprehensive Annual Financial Report is submitted to the Board of Education.



W. Edward Chabal

Director of Business and Finance
Board Secretary/Treasurer



John Henriksen

Superintendent of Schools



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Mount Pleasant Community School District

for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2022.

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



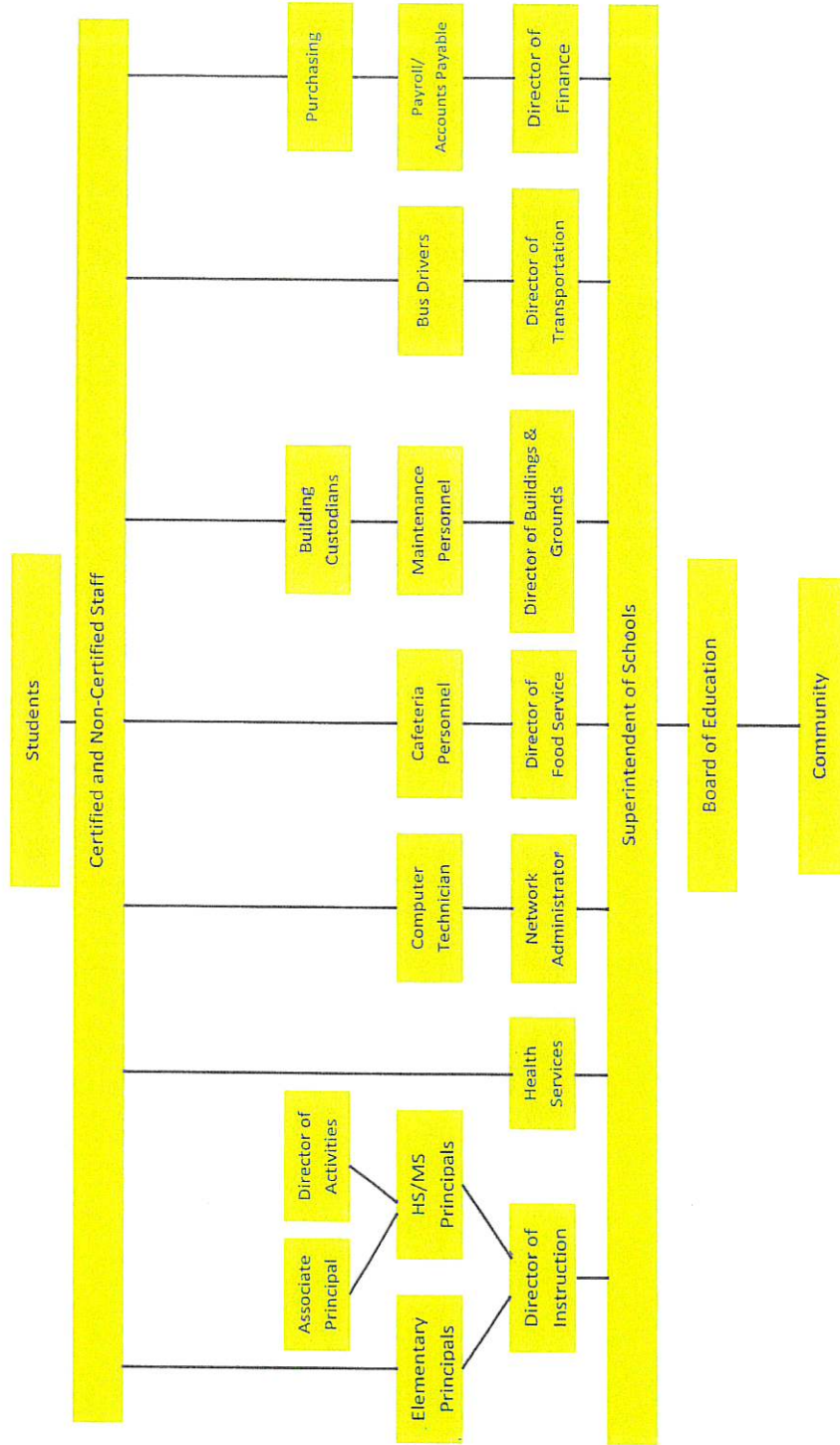
A handwritten signature in blue ink, reading 'John W. Hutchison'.

John W. Hutchison
President

A handwritten signature in blue ink, reading 'Siobhán McMahon'.

Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director

Mt. Pleasant Community School District Organizational Chart



Mount Pleasant Community School District

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Board of Education		
Jennifer Crull	President	2023*
Chuck Andrew	Vice President	2023*
Angie Blint	Board Member	2023*
Kevin Sandersfeld	Board Member	2023*
Derek Mullin	Board Member	2023*
Josh Maher	Board Member	2023*
Melinda Huisinga	Board Member	2023*
School Officials		
John Henriksen	Superintendent	2023
W. Edward Chabal	Board Secretary/Treasurer Director of Business and Finance	2023
Ahlers & Cooney P.C.	Attorney	2023

* Due to the school board redistricting approved April 10, 2023, all seven seats will be up for election in November 2023

Mount Pleasant Community School District

Consultants and Advisors

Year ended June 30, 2023

CERTIFIED PUBLIC ACCOUNTANT

Nolte, Comman & Johnson P.C.
115 North 3rd Avenue West
Newton, IA 50208-3218

BOND ATTORNEYS

Ahlers and Cooney, P.C.
100 Court Avenue, Suite 600
Des Moines, IA 50309-2207

FINANCIAL CONSULTANTS

Piper Sandler
3900 Ingersoll Avenue, Suite 110
Des Moines, IA 50312

GENERAL COUNSEL

Primary:

Ahlers and Cooney, P.C.
100 Court Avenue, Suite 600
Des Moines, IA 50309-2207

INSURANCE CONSULTANT

Gamrath-Doyle-Vens Insurance, Inc.
207 South Harrison, Suite One
Mt. Pleasant, IA 52641

ARCHITECTS & ENGINEERS

SVPA Architects Inc.
1466 28th Street, Suite 200
West Des Moines, IA 50266

OFFICIAL DEPOSITORIES

US Bank
301 East Washington
Mt. Pleasant, IA 52641

Pilot Grove Savings Bank
410 South Grand Avenue
Mt. Pleasant, IA 52641

Two Rivers Bank and Trust
100 West Washington Street
Mt. Pleasant, IA 52641

Wayland State Bank
301 South Main Street
Mt. Pleasant, IA 52641

Great Western Bank
102 S. Main Street
Mt. Pleasant, IA 52641

Iowa Schools Joint Investment Trust
2135 CityGate Lane, 7th Floor
Naperville, IL 60563

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Financial Section

NOLTE, CORNMAN & JOHNSON P.C.
Certified Public Accountants
(a professional corporation)
115 North 3rd Avenue West, Newton, Iowa 50208-3218
Telephone (641) 792-1910

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of Mount Pleasant Community School District:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Mount Pleasant Community School District, Mount Pleasant, Iowa, as of and for the year ended June 30, 2023, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the Mount Pleasant Community School District as of June 30, 2023 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with U.S. general accepted accounting principles.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of Mount Pleasant Community School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Mount Pleasant Community School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgement 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 Mount Pleasant Community School District'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Mount Pleasant Community School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the District's Proportionate Share of the Net Pension Liability, the Schedule of District Contributions and the Schedule of Changes in the District's Total OPEB Liability, Related Ratios and Notes on pages 18 through 25 and 58 through 64 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Mount Pleasant Community School District's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2022 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in the combining and individual fund financial statements and schedules, including the Schedule of Expenditures of Federal Awards required by Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information, including the Schedule of Expenditures of Federal Awards, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information in the combining and individual fund financial statements and schedules, including the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 21, 2023 on our consideration of Mount Pleasant Community School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Mount Pleasant Community School District's internal control over financial reporting and compliance.


NOLTE, CORNMAN & JOHNSON, P.C.

December 21, 2023
Newton, Iowa

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MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management has prepared the following discussion and analysis of the District's financial performance for the fiscal year ended June 30, 2023 in order to enhance the readers' understanding of the District's financial statements which follow this section.

FINANCIAL HIGHLIGHTS

- The District's total net position increased from \$21,753,482 at June 30, 2022 to \$28,057,423 at June 30, 2023. Total revenues increased from \$31,288,763 in fiscal year 2022 to \$31,518,000 in fiscal year 2023, a 0.73% increase, while total expenses decreased from \$26,434,407 in fiscal year 2022 to \$25,214,059 in fiscal year 2023, a 4.62% decrease from to the prior year.
- The District's total net position for governmental activities was \$27,131,178 at June 30, 2023 compared to \$21,002,662 at June 30, 2022, an increase of 29.18%.
- At the end of the current fiscal year, the unassigned fund balance in the General Fund was \$5,531,736, or 21.60%, of total General Fund revenues compared to the prior year's unassigned fund balance of \$4,139,328, or 16.38%, of total General Fund revenues.

OVERVIEW OF THE FINANCIAL STATEMENTS

The audited financial statements of the District consist of three components, which are the following:

- Management Discussion and Analysis
- Basic Financial Statements, which include government-wide financial statements, fund financial statements and Notes to Financial Statements
- Required supplementary sections that represents individual statements and schedules

The Basic Financial Statements include two types of statements that present different views of the District's finances. The first is the government-wide statements. These statements are presented on a full accrual basis of accounting and include the Statement of Net Position and the Statement of Activities. The Statement of Net Position includes all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources. Assets and liabilities are classified in the order of relative liquidity for assets and due dates for liabilities. This statement provides a summary of the District's investment in assets and obligations to creditors. Liquidity and financial flexibility can be evaluated using the information contained in this statement. The Statement of Activities summarizes the District's revenues and expenses for the current year. A net (expense) revenue format is used to indicate to what extent each function is self-sufficient.

The second type of statements included in the basic financial statements are the fund financial statements, which are presented for the Board's governmental funds and proprietary fund. These statements present the governmental funds on the modified accrual basis of accounting, measuring the near-term inflows and outflows of financial resources and what is available at year-end to spend in the next fiscal year. Because a different basis of accounting is used in the government-wide statements, reconciliation from the governmental fund financial statements to the government-wide statements is required. The government-wide statements provide information about the District as an economic unit while the fund financial statements provide information on the financial resources of the District's funds. The statement of activities presents information showing how the government'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 the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (i.e. earned but unused vacation leave).

Government-wide financial statements

The government-wide financial statements report information about the District as a whole using the accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how it has changed. Net position is one way to measure the District's financial health or financial position.

- Over time, increases or decreases in the District's net position may indicate whether its financial position is improving or deteriorating.
- To assess the District's overall financial health, one needs to consider additional non-financial factors such as changes in the District's property tax base and the condition of its school buildings and other physical assets.

The District's activities are divided into two categories on the government-wide statements:

- Governmental activities: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Local funding, as well as state and federal aid, finances most of these activities.
- Business type activities: The District charges fees to cover the costs of certain services it provides. The District's school nutrition program is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds and not the District as a whole. Funds are accounting devices the Board uses to keep track of specific sources of funding and spending on particular programs.

Some funds are required by state law and by bond covenants. The District establishes others to control and manage money for particular purposes, such as accounting for student activity funds, or to show its properly using certain revenues, such as federal grants.

The District has two types of funds:

Governmental funds: Most of the District's basic services are included in the governmental funds, which generally focus on two things - how cash and other assets can readily be converted to cash flows in and out and the balances remaining at year-end that are available for spending. As a result of this focus, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near term to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental funds, in the form of a reconciliation, explains the relationship (or differences) between them.

Proprietary fund: Services for which the District charges a fee are generally reported in the proprietary fund. The proprietary fund statements are reported on the same basis of accounting as the government-wide statements - full accrual. The District has one proprietary fund - the School Nutrition Fund.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position is an indicator of the fiscal health of the District. The District's net position was \$28,057,423 at June 30, 2023 compared to \$21,753,482 at June 30, 2022. (See Table 1).

Table 1 Condensed Statement of Net Position							
	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2023	2022	2023	2022	2023	2022	2022-23
Current and other assets	\$ 26,679,005	24,413,177	991,769	908,453	27,670,774	25,321,630	9.28%
Capital assets	21,632,211	21,504,450	176,483	135,167	21,808,694	21,639,617	0.78%
Total assets	48,311,216	45,917,627	1,168,252	1,043,620	49,479,468	46,961,247	5.36%
Deferred outflows of resources	2,691,837	3,066,972	55,031	64,322	2,746,868	3,131,294	-12.28%
Long-term liabilities	9,154,803	3,721,729	160,049	35,097	9,314,852	3,756,826	147.94%
Other liabilities	3,414,509	3,869,838	76,529	78,389	3,491,038	3,948,227	-11.58%
Total liabilities	12,569,312	7,591,567	236,578	113,486	12,805,890	7,705,053	66.20%
Deferred inflows of resources	11,302,563	20,390,370	60,460	243,636	11,363,023	20,634,006	-44.93%
Net position:							
Net investment in capital assets	20,401,702	19,537,736	176,483	135,167	20,578,185	19,672,903	4.60%
Restricted	8,611,318	6,623,393	-	-	8,611,318	6,623,393	30.01%
Unrestricted	(1,881,842)	(5,158,467)	749,762	615,653	(1,132,080)	(4,542,814)	75.08%
Total net position	\$ 27,131,178	21,002,662	926,245	750,820	28,057,423	21,753,482	28.98%

Net investment in capital assets (e.g., land, buildings, machinery and equipment, and right-to-use assets) less any outstanding debt used to acquire those assets is \$20,578,185 at June 30, 2023. These assets are not available for future spending since they represent capital assets used to provide services to students. The resources needed to pay the debt related to these capital assets must be provided from other resources. \$8,611,318 of net position reflects amounts with external restrictions on how the funds may be used. The remaining deficit balance of \$1,132,080 represents unrestricted net position which may be used to meet the District's ongoing obligations. This deficit is not an indication that the District has insufficient resources available to meet financial obligations next year, but rather the result of having long-term commitments that are more than currently available resources and other governmental reporting requirements.

Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net position increased \$1,987,925, or 30.01% from the prior year. The increase in restricted net position can be attributed to the increase in amount restricted for school infrastructure compared to the previous year.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - increased \$3,410,734 or 75.08%. The increase in unrestricted net position is mainly attributable to the net effect of adjustments associated with the District's net pension liability and related deferred outflows of resources and deferred inflows of resources related to pensions.

The following table shows changes in net position for the year ended June 30, 2023 compared to the year ended June 30, 2022.

	Table 2 Changes in Net Position						
	Governmental Activities		Business Type Activities		Total District		Total Change
	2023	2022	2023	2022	2023	2022	2022-23
Revenues:							
Program revenues:							
Charges for service	\$ 1,573,284	1,470,960	357,735	87,632	1,931,019	1,558,592	23.90%
Operating grants, contributions and restricted interest	3,097,138	3,392,677	862,308	1,303,345	3,959,446	4,696,022	-15.69%
Capital grants, contributions and restricted interest	601,612	197,100	-	-	601,612	197,100	205.23%
General revenues:							
Property tax	8,941,158	8,615,581	-	-	8,941,158	8,615,581	3.78%
Income surtax	608,757	472,619	-	-	608,757	472,619	28.38%
Statewide sales, services and use tax	2,197,636	2,556,476	-	-	2,197,636	2,556,476	-14.04%
Unrestricted state grants	12,580,974	12,925,339	-	-	12,580,974	12,925,339	-2.66%
Unrestricted investment earnings	561,742	109,766	38,332	6,018	600,074	115,804	418.18%
Other	96,060	148,744	3,264	2,486	99,324	151,230	-34.32%
Total revenues	30,256,361	29,889,282	1,261,639	1,399,481	31,518,000	31,288,763	0.73%
Program expenses:							
Instruction	15,354,124	16,359,645	-	-	15,354,124	16,359,645	-6.15%
Support services	7,091,787	7,316,406	-	-	7,091,787	7,316,406	-3.07%
Non-instructional programs	-	13,475	1,086,214	977,004	1,086,214	990,479	9.67%
Long-term interest	42,828	17,503	-	-	42,828	17,503	144.69%
Other expenses	1,639,106	1,750,374	-	-	1,639,106	1,750,374	-8.36%
Total expenses	24,127,845	25,457,403	1,086,214	977,004	25,214,059	26,434,407	-4.62%
Excess of revenues over expenses	6,128,516	4,431,879	175,425	422,477	6,303,941	4,854,356	29.86%
Transfers	-	(12,622)	-	12,622	-	-	0.00%
Change in net position	6,128,516	4,419,257	175,425	435,099	6,303,941	4,854,356	29.86%
Net position beginning of year	21,002,662	16,583,405	750,820	315,721	21,753,482	16,899,126	28.73%
Net position end of year	\$ 27,131,178	21,002,662	926,245	750,820	28,057,423	21,753,482	28.98%

In fiscal year 2023, property tax, income surtax, statewide sales, services and use tax, and unrestricted state grants accounted for 80.40% of the revenue from governmental activities while charges for service and operating grants and contributions accounted for 96.70% of the revenue from business type activities.

The District's total revenues were approximately \$31.52 million, of which approximately \$30.26 million was for governmental activities and approximately \$1.26 million was for business type activities.

As shown in Table 2, the District as a whole experienced a 0.73% increase in revenues and a 4.62% decrease in expenses. The increase in revenues can be primarily attributed to the District receiving more in unrestricted investment earnings and capital grants, contributions and restricted interest than the prior year. The decrease in expenses is primarily related to a decrease in instruction expenses incurred compared to the prior year.

Governmental Activities

Revenues for governmental activities were \$30,256,361 and expenses were \$24,127,845 for the year ended June 30, 2023.

The following table presents the total and net cost of the District's major governmental activities: instruction, support services, non-instructional programs, long-term debt interest and other expenses for the year ended June 30, 2023 compared to those expenses for the year ended June 30, 2022.

Table 3						
Total and Net Cost of Governmental Activities						
	Total Cost of Services			Net Cost of Services		
	2023	2022	Change 2022-23	2023	2022	Change 2022-23
Instruction	\$ 15,354,124	16,359,645	-6.15%	11,750,934	12,714,227	-7.58%
Support services	7,091,787	7,316,406	-3.07%	6,296,886	6,790,500	-7.27%
Non-instructional programs	-	13,475	-100.00%	-	853	-100.00%
Long-term debt interest	42,828	17,503	144.69%	42,828	17,503	144.69%
Other expenses	1,639,106	1,750,374	-6.36%	765,163	873,583	-12.41%
Total	\$ 24,127,845	25,457,403	-5.22%	18,855,811	20,396,666	-7.55%

For the year ended June 30, 2023:

- The cost financed by users of the District's programs was \$1,573,284.
- Federal and state governments along with local sources subsidized certain programs and projects with grants and contributions totaling \$3,698,750.
- The net cost of governmental activities was financed with \$8,941,158 in property tax, \$606,757 in income surtax, \$2,197,636 in statewide sales, services and use tax, \$12,580,974 in unrestricted state grants, \$561,742 in unrestricted investment earnings and \$96,060 in other general revenues.

Business Type Activities

Revenues of the District's business type activities were \$1,261,639 and expenses totaled \$1,086,214 for the year ended June 30, 2023. The District's business type activities include the School Nutrition Fund. Revenues of these activities were comprised of charges for service, federal and state reimbursements, investment income and other general revenues.

During the year ended June 30, 2023, the District's business type activities net position increased \$175,425, or 23.36%. This increase was mainly due to an increase in operating grants, contributions and restricted interest received compared to the previous year.

Financial Analysis of the District's Funds

At the end of fiscal year 2023, the District's governmental funds reported combined ending fund balances of \$14,449,053, an increase of \$3,340,280 in comparison with the prior year. Of the combined ending fund balances, \$5,531,736 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is nonspendable, restricted, or assigned to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior period or for other specified purposes.

Governmental Fund Highlights

- The General Fund balance increased from \$5,405,343 at June 30, 2022 to \$6,742,498 at June 30, 2023. The fluctuation in the General Fund financial position is the product of many factors. Local source revenues received increased compared to the previous year. Instruction expenditures decreased from the prior year, which led to the increase in General Fund balance.
- The Capital Projects Fund balance increased from \$4,872,493 at June 30, 2022 to \$6,428,323 at June 30, 2023. The increase in fund balance can be attributed to the increase in fund balance of the Capital Projects: Statewide Sales, Services and Use Tax Fund. The Capital Projects: Physical Plant and Equipment Levy Fund (PPEL) balance increased from the prior year due in part to increases in local tax income.

Proprietary Fund Highlights

- The District's business type, School Nutrition Fund net position increased in fiscal year 2023. Revenues decreased due primarily to a decrease in federal reimbursements. The net position for the District's School Nutrition Fund increased from \$750,820 at June 30, 2022, to \$926,245 at June 30, 2023, representing an increase of 23.36%.

Budgetary Highlights

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds, except its private-purpose trust and custodial funds. Although the budget document presents functional area expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not at the fund level. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on a GAAP basis. A schedule showing the original and final budget amounts compared to the District's actual financial activity is included in the required supplementary information section of this report. Since the District does not adopt a budget for individual funds, budgets for individual funds are not presented in the budgetary comparison on page 58.

The District's total actual receipts were \$1,044,023 more than the total budgeted receipts, a variance of 3.43%. The most significant variance resulted in the District receiving more from local sources than originally anticipated.

Total expenditures were less than budgeted, due primarily to the District's budget for the General Fund. It is the District's practice to budget expenditures at the maximum authorized spending authority for the General Fund. The District then manages or controls General Fund spending through its line-item budget. As a result, the District's certified budget should always exceed the actual expenditures during the year.

In spite of the District's budgetary practice, expenditures exceeded the amounts budgeted in the other expenditures function.

Capital Assets and Debt Administration

Capital Assets

The District's investment in capital assets for its governmental and business type activities as of June 30, 2023 totaled \$21,808,694 (net of accumulated depreciation/amortization). This investment in capital assets includes land, construction in progress, buildings, land improvements, machinery and equipment and right-to-use leased assets. This represents a 0.78% increase from the prior year. The increase in the investment in capital assets during the year is primarily attributable to the District beginning a HVAC project during the year. Depreciation/amortization expense for the year ended June 30, 2023 was \$1,438,047. More detailed information regarding the District's capital assets can be found in Note 4 of the Notes to Financial Statements.

Table 4							
Capital Assets, Net of Depreciation/Amortization							
	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2023	2022	2023	2022	2023	2022	2022-23
Land	\$ 201,110	201,110	-	-	201,110	201,110	0.00%
Construction in progress	572,369	-	-	-	572,369	-	100.00%
Buildings	16,719,320	17,069,147	-	-	16,719,320	17,069,147	-2.05%
Land improvements	2,512,053	2,282,969	-	-	2,512,053	2,282,969	10.03%
Machinery and equipment	1,376,527	1,748,951	176,483	135,167	1,553,010	1,884,118	-17.57%
Right-to-use leased assets	250,832	202,273	-	-	250,832	202,273	24.01%
Total	\$ 21,632,211	21,504,450	176,483	135,167	21,808,694	21,639,617	0.78%

Long-Term Debt

At June 30, 2023, the District had total long-term debt outstanding of \$1,230,509, a decrease of \$736,205, or 37.43%, from the prior fiscal year. This decrease is primarily a result of the District paying off a computer lease during the year. Of the total long-term debt remaining, \$561,034 is due within one year. Additional information regarding the District's long-term debt can be found in Note 7 of the Notes to Financial Statements.

Table 5 Outstanding Long-Term Obligations			
	Total District		Total Change
	June 30,		June 30,
	2023	2022	2022-23
Computer purchase agreement	\$ 976,181	1,764,052	-44.66%
Lease agreements	254,328	202,662	25.49%
Total	<u>\$ 1,230,509</u>	<u>1,966,714</u>	<u>-37.43%</u>

Economic Factors and Next Year's Budgets and Rates

At the time these financial statements were prepared and audited, the District was aware of several indicators, both financial and non-financial, that could impact the District in the immediate future:

- According to the Iowa funding formula, student enrollment is a critical factor in calculating the financing of the District. The District has experienced declining enrollment in fourteen of the last sixteen years. The fiscal year 2024-2025 budget will be built around an enrollment decrease of 58.65 students. The District is anticipating a downward trend over the next few years.
- The District continues to monitor the net open enrollment of students into and out of the District. The current trend has been fewer open enrolled students coming into the District and more students going out of the District.
- In May 2019, the Iowa legislators signed into law a bill extending the Secure an Advanced Vision for Education (SAVE) law through calendar year 2050. This will allow the district to continue to use the statewide penny sales tax revenue to finance construction projects and potentially borrow against the revenue if needed. On September 12, 2023, the District received a 72% approval of District voters to extend the District Revenue Purpose statement through 2050 for allowable uses of the sales tax revenue.
- The Board is aware that previous contract settlements have outpaced the amount of new funding received by the state. Significant budget cuts were introduced in fiscal year 2018-2019 but due to declining enrollment, the District may need to look at additional budget cuts for fiscal year 2024-2025.
- The COVID-19 Pandemic has created much financial uncertainty to school districts across the country. Federal ESSER III revenue in the amount of \$1,378,099 was received to assist in offsetting costs related to the pandemic including staffing costs, cleaning equipment and supplies, air quality improvements and expanded summer school programming. The District will continue to incur these expenditures for the 2023-2024 school year and must take action to ensure that these ongoing expenditures are controlled when the federal COVID funding goes away in 2024.

- The District is anticipating the purchase of property from Iowa Wesleyan University in the 2023-2024 school year. In 2023, the University announced it would be closing in May of 2023. This purchase will allow for expansion of programming for the District. The District will need to enter into a visioning process to best decide how to use the property and buildings in the future.
- Supplemental State Aid has not yet been set by the state for the 2024-2025 school year. The upcoming Iowa Legislative session could again prove to be most challenging in respect to the state budget. The potential impact of state reductions to education is an unknown that we must be ready to address.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional information, contact the District's Business Office.

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Basic Financial Statements

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business Type Activities	Total
Assets			
Cash and pooled investments	\$ 15,910,870	987,757	16,898,627
Receivables:			
Property tax:			
Delinquent	73,748	-	73,748
Succeeding year	8,319,237	-	8,319,237
Income surtax	527,485	-	527,485
Accounts	19,278	-	19,278
Due from other governments	1,645,198	-	1,645,198
Inventories	56,049	4,012	60,061
Prepaid expenses	127,140	-	127,140
Capital assets not being depreciated/amortized:			
Land and construction in progress	773,479	-	773,479
Capital assets, net of accumulated depreciation/amortization:			
Buildings, land improvements, machinery and equipment and right-to-use leased assets	20,858,732	176,483	21,035,215
Total assets	48,311,216	1,168,252	49,479,468
Deferred Outflows of Resources			
Pension related deferred outflows	2,513,970	51,567	2,565,537
OPEB related deferred outflows	177,867	3,464	181,331
Total deferred outflows of resources	2,691,837	55,031	2,746,868
Liabilities			
Accounts payable	704,484	1,138	705,622
Salaries and benefits payable	2,678,746	55,820	2,734,566
Accrued interest payable	31,279	-	31,279
Unearned revenue	-	19,571	19,571
Long-term liabilities:			
Portion due within one year:			
Computer purchase agreement	479,955	-	479,955
Lease agreements	81,079	-	81,079
Termination benefits	32,620	-	32,620
Compensated absences	80,128	2,037	82,165
Portion due after one year:			
Computer purchase agreement	496,226	-	496,226
Lease agreements	173,249	-	173,249
Termination benefits	59,335	-	59,335
Net pension liability	6,787,702	139,231	6,926,933
Total OPEB liability	964,509	18,781	983,290
Total liabilities	12,569,312	236,578	12,805,890
Deferred Inflows of Resources			
Unavailable property tax revenue	8,319,237	-	8,319,237
Pension related deferred inflows	2,277,186	46,710	2,323,896
OPEB related deferred inflows	706,140	13,750	719,890
Total deferred inflows of resources	11,302,563	60,460	11,363,023
Net Position			
Net investment in capital assets	20,401,702	176,483	20,578,185
Restricted for:			
Categorical funding	1,027,997	-	1,027,997
Debt service	79,414	-	79,414
Management levy purposes	813,621	-	813,621
Student activities	261,963	-	261,963
School infrastructure	3,861,811	-	3,861,811
Physical plant and equipment	2,566,512	-	2,566,512
Unrestricted	(1,881,842)	749,762	(1,132,080)
Total net position	\$ 27,131,178	926,245	28,057,423

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

**MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Service	Contributions and Restricted Interest	Contributions and Restricted Interest	Governmental Activities	Business Type Activities	Total
Functions/Programs:							
Governmental activities:							
Instruction:							
Regular	\$ 10,106,609	1,038,186	823,116	-	(8,245,307)	-	(8,245,307)
Special	2,683,692	256,919	435,288	-	(1,991,485)	-	(1,991,485)
Other	2,563,823	276,790	772,891	-	(1,514,142)	-	(1,514,142)
	<u>15,354,124</u>	<u>1,571,895</u>	<u>2,031,295</u>	<u>-</u>	<u>(11,750,934)</u>	<u>-</u>	<u>(11,750,934)</u>
Support services:							
Student	636,197	-	90,599	-	(545,598)	-	(545,598)
Instructional staff	872,164	-	13,506	-	(858,658)	-	(858,658)
Administration	2,962,711	-	34,771	-	(2,927,940)	-	(2,927,940)
Operation and maintenance of plant	1,660,046	-	3,101	601,612	(1,055,333)	-	(1,055,333)
Transportation	980,689	1,389	49,923	-	(909,357)	-	(909,357)
	<u>7,091,787</u>	<u>1,389</u>	<u>191,900</u>	<u>601,612</u>	<u>(6,296,886)</u>	<u>-</u>	<u>(6,296,886)</u>
Long-term debt interest	42,828	-	-	-	(42,828)	-	(42,828)
Other expenditures:							
AEA flowthrough	873,943	-	873,943	-	-	-	-
Depreciation/amortization (unallocated)*	765,163	-	-	-	(765,163)	-	(765,163)
	<u>1,639,106</u>	<u>-</u>	<u>873,943</u>	<u>-</u>	<u>(765,163)</u>	<u>-</u>	<u>(765,163)</u>
Total governmental activities	<u>24,127,845</u>	<u>1,573,284</u>	<u>3,097,138</u>	<u>601,612</u>	<u>(18,855,811)</u>	<u>-</u>	<u>(18,855,811)</u>
Business type activities:							
Non-instructional programs:							
Food service operations	1,086,214	357,735	862,308	-	-	133,829	133,829
Total	<u>\$ 25,214,059</u>	<u>1,931,019</u>	<u>3,959,446</u>	<u>601,612</u>	<u>(18,855,811)</u>	<u>133,829</u>	<u>(18,721,982)</u>
General Revenues:							
Property tax levied for:							
General purposes					\$ 7,853,726	-	7,853,726
Capital outlay					1,087,432	-	1,087,432
Income surtax					606,757	-	606,757
Statewide sales, services and use tax					2,197,636	-	2,197,636
Unrestricted state grants					12,580,974	-	12,580,974
Unrestricted investment earnings					561,742	38,332	600,074
Other					96,060	3,264	99,324
Total general revenues					<u>24,984,327</u>	<u>41,596</u>	<u>25,025,923</u>
Change in net position					6,128,516	175,425	6,303,941
Net position beginning of year					21,002,662	750,820	21,753,482
Net position end of year					<u>\$ 27,131,178</u>	<u>926,245</u>	<u>28,057,423</u>

* This amount excludes the depreciation/amortization that is included in the direct expense of various programs.

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General	Capital Projects	Nonmajor	Total
Assets				
Cash and pooled investments	\$ 8,182,552	6,542,036	1,186,282	15,910,870
Receivables:				
Property tax:				
Delinquent	58,963	8,825	5,960	73,748
Succeeding year	6,489,477	1,079,760	750,000	8,319,237
Income surtax	527,485	-	-	527,485
Accounts	19,231	-	47	19,278
Due from other governments	1,468,816	176,382	-	1,645,198
Inventories	56,049	-	-	56,049
Prepaid expenses	15,625	21,788	89,727	127,140
Total assets	\$ 16,818,198	7,828,791	2,032,016	26,679,005
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 379,992	320,708	3,784	704,484
Salaries and benefits payable	2,678,746	-	-	2,678,746
Total liabilities	3,058,738	320,708	3,784	3,383,230
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	6,489,477	1,079,760	750,000	8,319,237
Income surtax	527,485	-	-	527,485
Total deferred inflows of resources	7,016,962	1,079,760	750,000	8,846,722
Fund balances:				
Nonspendable	71,674	21,788	89,727	183,189
Restricted for:				
Categorical funding	1,027,997	-	-	1,027,997
Debt service	-	-	110,693	110,693
Management levy purposes	-	-	905,576	905,576
Student activities	-	-	172,236	172,236
School infrastructure	-	3,861,811	-	3,861,811
Physical plant and equipment	-	2,544,724	-	2,544,724
Assigned	111,091	-	-	111,091
Unassigned	5,531,736	-	-	5,531,736
Total fund balances	6,742,498	6,428,323	1,278,232	14,449,053
Total liabilities, deferred inflows of resources and fund balances	\$ 16,818,198	7,828,791	2,032,016	26,679,005

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

Total fund balances of governmental funds (page 30)		\$ 14,449,053
<i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i>		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.		21,632,211
Accounts receivable income surtax is not available to finance expenditures of the current year and, therefore, is recognized as deferred inflows of resources in the governmental funds.		527,485
Accrued interest payable on long-term liabilities is not due and payable in the current year and, therefore, is not reported as a liability in the governmental funds.		(31,279)
Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:		
Deferred outflows of resources	\$ 2,691,837	
Deferred inflows of resources	<u>(2,983,326)</u>	(291,489)
Long-term liabilities, including computer purchase agreement, lease agreements, termination benefits, compensated absences payable, net pension liability, and total OPEB liability are not due and payable in the current year and, therefore, are not reported in the governmental funds.		<u>(9,154,803)</u>
Net position of governmental activities (page 28)		<u>\$ 27,131,178</u>

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	General	Capital Projects	Nonmajor	Total
Revenues:				
Local sources:				
Local tax	\$ 7,720,050	1,087,432	720,276	9,527,758
Tuition	1,215,981	-	-	1,215,981
Other	523,794	213,507	408,896	1,146,197
State sources	13,756,244	2,197,636	-	15,953,880
Federal sources	2,392,388	-	-	2,392,388
Total revenues	25,608,457	3,498,575	1,129,172	30,236,204
Expenditures:				
Current:				
Instruction:				
Regular	10,555,301	21,774	-	10,577,075
Special	3,032,044	-	-	3,032,044
Other	2,521,089	-	278,393	2,799,482
	16,108,434	21,774	278,393	16,408,601
Support services:				
Student	700,588	-	-	700,588
Instructional staff	934,775	48,589	-	983,364
Administration	2,613,934	306,513	226,958	3,147,405
Operation and maintenance of plant	1,600,739	179,099	138,841	1,918,679
Transportation	853,883	78,823	37,685	970,391
	6,703,919	613,024	403,484	7,720,427
Capital outlay	-	1,386,360	-	1,386,360
Long-term debt:				
Principal	-	-	858,822	858,822
Interest and fiscal charges	-	-	21,635	21,635
	-	-	880,457	880,457
Other expenditures:				
AEA flowthrough	873,943	-	-	873,943
Total expenditures	23,686,296	2,021,158	1,562,334	27,269,788
Excess (Deficiency) of revenues over (under) expenditures	1,922,161	1,477,417	(433,162)	2,966,416
Other financing sources (uses):				
Proceeds from the sale of equipment	16,606	234,641	-	251,247
Proceeds from lease agreements	-	122,617	-	122,617
Transfer in	-	601,612	880,457	1,482,069
Transfer out	(601,612)	(880,457)	-	(1,482,069)
Total other financing sources (uses)	(585,006)	78,413	880,457	373,864
Change in fund balances	1,337,155	1,555,830	447,295	3,340,280
Fund balances beginning of year	5,405,343	4,872,493	830,937	11,108,773
Fund balances end of year	\$ 6,742,498	6,428,323	1,278,232	14,449,053

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

Change in fund balances - total governmental funds (page 32) \$ 3,340,280

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are not reported in the Statement of Activities and are allocated over their estimated useful lives as depreciation/amortization expense in the Statement of Activities. Capital outlay expenditures and depreciation/amortization expense in the current year are as follows:

Capital outlay	\$ 1,534,159	
Depreciation/amortization expense	<u>(1,406,398)</u>	127,761

Income surtax receivable is not considered available revenue and is recognized as deferred inflows of resources in the governmental funds. 20,157

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Current year issuances and repayments are as follows:

Issued	(122,617)	
Repaid	<u>858,822</u>	736,205

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the governmental funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due. (21,193)

The current year District IPERS contributions are reported as expenditures in the governmental funds but are reported as deferred outflows of resources in the Statement of Net Position. 1,411,190

Some revenues and expenses reported in the Statement of Activities do not require or provide current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds, as follows:

Termination benefits	45,820	
Compensated absences	(3,108)	
Pension expense	481,290	
Total OPEB liability and related expenses	<u>(9,886)</u>	514,116

Change in net position of governmental activities (page 29) \$ 6,128,516

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2023

	Nonmajor Enterprise Fund
Assets	
Current assets:	
Cash and pooled investments	\$ 987,757
Inventories	4,012
Total current assets	<u>991,769</u>
Noncurrent assets:	
Capital assets, net of accumulated depreciation	176,483
Total assets	<u>1,168,252</u>
Deferred Outflows of Resources	
Pension related deferred outflows	51,567
OPEB related deferred outflows	3,464
Total deferred outflows of resources	<u>55,031</u>
Liabilities	
Current liabilities:	
Accounts payable	1,138
Salaries and benefits payable	55,820
Unearned revenue	19,571
Total current liabilities	<u>76,529</u>
Noncurrent liabilities:	
Compensated absences	2,037
Net pension liability	139,231
Total OPEB liability	18,781
Total noncurrent liabilities	<u>160,049</u>
Total liabilities	<u>236,578</u>
Deferred Inflows of Resources	
Pension related deferred inflows	46,710
OPEB related deferred inflows	13,750
Total deferred inflows of resources	<u>60,460</u>
Net Position	
Net investment in capital assets	176,483
Unrestricted	749,762
Total net position	<u>\$ 926,245</u>

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2023

	Nonmajor Enterprise Fund
Operating revenues:	
Local sources:	
Charges for service	\$ 357,735
Miscellaneous	3,264
Total operating revenues	<u>360,999</u>
Operating expenses:	
Non-instructional programs:	
Food service operations:	
Salaries	346,625
Benefits	39,819
Services	42,129
Supplies	625,992
Depreciation	31,649
Total operating expenses	<u>1,086,214</u>
Operating loss	<u>(725,215)</u>
Non-operating revenues:	
State sources	7,170
Federal sources	855,138
Interest income	38,332
Total non-operating revenues	<u>900,640</u>
Change in net position	175,425
Net position beginning of year	<u>750,820</u>
Net position end of year	<u>\$ 926,245</u>

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2023

	Nonmajor Enterprise Fund
Cash flows from operating activities:	
Cash received from sale of lunches and breakfasts	\$ 348,348
Cash received from miscellaneous	3,264
Cash payments to employees for services	(427,143)
Cash payments to suppliers for goods or services	(600,106)
Net cash used in operating activities	<u>(675,637)</u>
Cash flows from non-capital financing activities:	
State grants received	9,889
Federal grants received	786,951
Net cash provided by non-capital financing activities	<u>796,840</u>
Cash flows from capital and related financing activities:	
Purchase of capital assets	<u>(72,965)</u>
Cash flows from investing activities:	
Interest on investments	<u>38,332</u>
Net increase in cash and pooled investments	86,570
Cash and pooled investments beginning of year	<u>901,187</u>
Cash and pooled investments end of year	<u><u>\$ 987,757</u></u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (725,215)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Commodities consumed	68,187
Depreciation	31,649
Change in assets and liabilities:	
Inventories	421
Accounts receivable	114
Accounts payable	(593)
Salaries and benefits payable	8,234
Net pension liability	133,938
Deferred outflows of resources	9,291
Deferred inflows of resources	(183,176)
Unearned revenue	(9,501)
Compensated absences	870
Total OPEB liability	(9,856)
Net cash used in operating activities	<u><u>\$ (675,637)</u></u>

Non-cash investing, capital and related financing activities:

During the year ended June 30, 2023, the District received \$68,187 of federal commodities.

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 1. Summary of Significant Accounting Policies

Mount Pleasant Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve and special education pre-kindergarten. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education as well as career and technical and recreational courses. The geographic area served includes the City of Mount Pleasant, Iowa, and the predominate agricultural territory in Henry, Jefferson, Van Buren and Lee Counties. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

The District's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Government Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, Mount Pleasant Community School District has included all funds, organizations, agencies, boards, commissions and authorities. The District has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the District. The Mount Pleasant Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations - The District participates in a jointly governed organization that provides services to the District but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the Henry County Assessor's Conference Board.

B. Basis of Presentation

Government-wide Financial Statements - The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for service.

The Statement of Net Position presents the District's nonfiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in the following categories:

Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances for bonds, notes and other debt attributed to the acquisition, construction, or improvement of those assets.

Restricted net position results when constraints placed on net position use are either externally imposed or are imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of net position not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those clearly identifiable with a specific function. 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 and 2) grants, contributions and interest restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements - Separate financial statements are provided for governmental, proprietary, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other nonmajor governmental funds. Combining schedules are also included for the Capital Projects Fund accounts.

The District reports the following major governmental funds:

The General Fund is the general operating fund of the District. All general tax revenues and other revenues not allocated by law or contractual agreement to some other fund are accounted in this fund. From the fund are paid the general operating expenditures, including instructional, support and other costs.

The Capital Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities and other capital assets.

The District also reports the following nonmajor proprietary fund:

The Enterprise, School Nutrition Fund is used to account for the food service operations of the District.

C. Measurement Focus and Basis of Accounting

The government-wide and the proprietary fund 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 tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

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 after year end.

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the District's policy is generally to first apply the expenditure toward restricted fund balance and then to less-restrictive classifications in this order: committed, assigned and then unassigned fund balances. The District does not have a policy regarding maintenance of minimum fund balances.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 District's Enterprise Fund is charges to customers for sales and services. Operating expenses for Enterprise Funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Cash, Pooled Investments and Cash Equivalents

The cash balances of most District funds are pooled and invested. Investments are stated at fair value except for the investment in the Iowa Schools Joint Investment Trust which is valued at amortized cost and non-negotiable certificates of deposit which are stated at amortized cost.

For purpose of the Statement of Cash Flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash, and at the day of purchase, they have a maturity date no longer than three months.

E. Property Taxes

Property tax in governmental funds is accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the Board of Education. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the District is required to certify its budget in April of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is reported as a deferred inflow of resources in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds becomes due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2021 assessed property valuations; is for the tax accrual period July 1, 2022 through June 30, 2023 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2022.

F. Due From Other Governments

Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

G. Inventories

General Fund inventories are valued at cost at year end and are accounted for using the consumption method by which inventory acquisitions are recorded in inventory accounts when purchased or received by other means and are charged to operations when consumed. General Fund inventories are recorded as expenses when consumed on the government-wide financial

statements and some inventories are reported as expenditures when purchased on the fund financial statements.

The Enterprise Fund inventories consists primarily of food, valued at cost using the first-in, first-out method for purchased items and government commodities. Inventories of proprietary funds are recorded as expenses when consumed rather than when purchased or received.

H. Prepaid Expenses

Prepaid expenses represent outflows for future computer licenses, conference fees and downpayment on supplies, which were remitted before year-end. The District utilizes the consumption method of reporting expenses.

I. Capital Assets

Capital assets, which include property, machinery and equipment, and intangibles acquired after July 1, 1980 are reported in the applicable governmental or business type activities columns in the government-wide Statement of Net Position. Capital assets are recorded at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed under "Leases" below) if purchased or constructed. Donated capital assets are recorded acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class. Reportable capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

<u>Asset Class</u>	<u>Amount</u>
Land	\$ 2,000
Buildings	10,000
Land improvements	10,000
Intangibles	100,000
Right-to-use leased assets	5,000
Machinery and equipment:	
School Nutrition Fund equipment	500
Other machinery and equipment	1,500

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment and the right-to-use leased assets are depreciated/amortized using the straight line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	50 years
Land improvements	20-50 years
Intangibles	5-10 years
Right-to-use leased assets	2-15 years
Machinery and equipment	5-15 years

J. Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net position applicable to a future year(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension and OPEB expense, the unamortized portion of the net difference between projected and actual earnings on pension plan investments and contributions from the employer after the measurement date but before the end of the District's reporting period.

K. Leases

Mount Pleasant Community School District is the lessee for a noncancellable lease of equipment and office space. The District has recognized a lease liability and an intangible right-to-use lease equipment (lease asset) in the government-wide financial statements. The District recognized leases with an initial, individual value of \$5,000 or more.

At the commencement of the lease, the District 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 the lease payments made. The lease 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 Mount Pleasant Community School District determines the discount rate it uses to discount the expected lease payments to present value, lease term and lease payments.

Mount Pleasant Community School District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally 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 a purchase option price that the District is reasonably certain to exercise.

The District 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.

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

L. Salaries and Benefits Payable

Payroll and related payroll taxes and benefits for teachers with annual contracts corresponding to the school year, but which have balances payable in July and August, have been accrued as a liability as expenses are applicable to the fiscal year ended June 30, 2023.

M. Unearned Revenue

Unearned revenues are monies collected from students, their families or staff for lunches that have not yet been served. The lunch account balances will either be reimbursed or served as lunches. The lunch account balances are reflected on the Statement of Net Position in the Proprietary, School Nutrition Fund.

N. Compensated Absences

District administration, maintenance and transportation employees under a twelve-month contract and District secretarial staff accumulate a limited amount of earned but unused vacation benefits payable. The cost of vacation payments expected to be liquidated currently is recorded as a long-term obligation in both the governmental and business type activities. The compensated absences liability has been computed based on per diem rates based from the employees' contract in effect during the fiscal year. These benefits would be payable from the General and School Nutrition Funds.

O. Long-term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities and business type activities columns in the Statement of Net Position.

P. 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 Iowa Public Employees' Retirement System (IPERS) and additions to/deductions from IPERS' fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension liability attributable to the governmental activities will be paid primarily by the General Fund.

Q. Total OPEB Liability

For purposes of measuring the total OPEB liability, deferred inflows and outflows of resources related to OPEB and OPEB expense, information has been determined based on the District's actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund while the portion attributable to the business type activities will be paid primarily by the Enterprise, School Nutrition Fund.

R. Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position applicable to a future year(s) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collectible within the current year or soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the fund financial statements consist of property tax receivable and other receivables not collected within sixty days after year end and succeeding year property tax receivable that will not be recognized until the year for which it was levied.

Deferred inflows of resources in the Statement of Net Position consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied and the unrecognized items not yet charged to pension and OPEB expense.

S. Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

1. ***Nonspendable*** - Amounts which cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. Amounts that include the values of unconsumed item sitting in inventory at year end such as sporting goods, secretarial supplies and miscellaneous instructional supplies. The amount of this inventory and prepaid computer licenses and propane prepayment at year end comprise the nonspendable balance in the General Fund. A three year service agreement for cyber security comprises the nonspendable balance in the Capital Projects: Physical Plant and Equipment Levy Fund.
2. ***Restricted*** - Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantor or state or federal laws or imposed by law through constitutional provisions or enabling legislation.
3. ***Committed*** - Amounts which can be used only for specific purposes determined pursuant to constraints formally imposed by the Board of Education through resolution approved prior to year-end. Those committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same action it employed to commit those

amounts. At June 30, 2023, the District's Board of Directors did not commit any fund balances to specific projects.

4. **Assigned** - Amounts are not available for appropriation but are set aside for a specific purpose. The assigned fund balances in the District's General Fund are for various resale accounts and smaller projects that are not able to be accounted for in other governmental funds. The District's Board of Directors authorizes the Director of Finance to assign amounts to a specific purpose to be in compliance with Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions as well as District Board Policy 701.4.
5. **Unassigned** - All amounts not included in the preceding classifications. Negative unassigned balances may be reported in other governmental funds when expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned. At June 30, 2023, the District's only unassigned amount was in the General Fund.

Note 2. Budgets and Budgetary Accounting

In accordance with the Code of Iowa, the District's Board of Education annually adopts a single district wide budget and approves the related appropriations following required public notice and hearing for all funds. The budgets and related appropriations as well as the financial statements are prepared on the modified accrual basis or accrual basis of accounting. The budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control for the certified budget is based upon four major classes of disbursements known as functions not by fund. These four functions are instruction, support services, non-instructional programs and other expenditures. The Code of Iowa also provides District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. During the year ended June 30, 2023, expenditures exceeded the amounts budgeted in the other expenditures function.

The Board of Education follows these procedures in establishing budgetary data reflected in the financial statements:

1. In accordance with the Statutes of the State of Iowa, prior to February 15, the Board Secretary submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures or expenses and the means of financing them for the upcoming year, along with estimates for the current year and actual data for the preceding years. This budget is submitted in summary form, with an administrative control. The legal level of control for the detailed budget is at the functional area level.
2. Public hearings are required to be conducted to obtain taxpayer comment.
3. Prior to April 15, the budget is legally enacted through certification from the County Auditor.
4. Management is authorized to transfer budgeted amounts between departments within any functional area; however, any revisions that alter the total expenditures or expenses of any functional area, must be approved by the Board of Education.
5. The Board of Education may amend the budget during the year by holding public hearings and certifying the amendment with the County Auditor.
6. Encumbrances are not recognized in the budgetary process and appropriations lapse at the end of each fiscal year.
7. The budget cannot be amended without the approval of the Board of Education.
8. Unexpended budgetary balance lapse at June 30 and are not available to finance expenditures or expenses of the following year.

Note 3. Cash and Pooled Investments

The District's deposits in banks at June 30, 2023 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

The District is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Education; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

At June 30, 2023, the District had investments in the Iowa Schools Joint Investment Trust Direct (ISJIT) Government Obligations Portfolio which are valued at an amortized cost of \$241,431 pursuant to Rule 2a-7 under the Investment Company Act of 1940. There were no limitations or restrictions on withdrawals of the ISJIT investments. The investments in ISJIT were rated AAAM by Standard and Poor's Financial Services.

The Iowa Schools Joint Investment Trust is sponsored by the Iowa Association of School Boards (IASB), governed by a representative board of trustees and served by a dedicated team of professionals. The board of trustees serves as the regulatory oversight of the pool. There is no material difference from fair value. In addition, the fair value of the District's financial position in the pool is the same value as the pool shares. Since ISJIT investments are valued at amortized cost, not fair value, they do not qualify as a fair value investment under GASB Statement No. 72, which would require input level determination.

The District had no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 72.

Interest rate risk - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) in instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days but the maturities shall be consistent with the needs and use of the District and must also conform to any loan covenant investment maturity restrictions. The maturity of the District's position in an external investment pool is based on the average maturity of the pool's investments.

Credit risk - Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of an investment. This is measured by the assignment of a rating by a nationally recognized rating organization (Standard and Poor's and Moody Investor Services). The investment in the Iowa Schools Joint Investment Trust was rated AAAM by Standard & Poor's Rating Service. The District's investment policy does not formally address credit risk.

Custodial credit risk (deposits) - In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk.

As of June 30, 2023, the carrying amount of the District's bank deposits totaled \$16,657,121 with bank balances of \$17,242,962. Of the bank balance, \$250,000 was covered by federal depository insurance and \$16,992,962 was uninsured and collateralized with securities held by the pledging financial institution or its agent but not in the District's name. These amounts are included in the cash and pooled investments on the combined balance sheet.

Custodial credit risk (investments) - For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's

policy relating to custodial credit risk of investments is to have the majority of the District's investments with an institution that is a national banking company with a rating of AAa by Standard & Poors and Moody's Investors Services. As of June 30, 2023, the carrying amount of the District's investments totaled \$241,431 with bank balances of the same amount held by the Iowa Schools Joint Investment Trust Direct Obligations Portfolio. The entire amount is exposed to custodial credit risk exposure because the related securities are uninsured, unregistered and held by the District's investment firm which is also the counterparty for the securities held.

Note 4. Capital Assets

A summary of changes in property and equipment comprising capital assets is as follows for the year ended June 30, 2023:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 201,110	-	-	201,110
Construction in progress	-	572,369	-	572,369
Total capital assets not being depreciated/amortized	201,110	572,369	-	773,479
Capital assets being depreciated/amortized:				
Buildings	29,633,731	227,965	111,540	29,750,156
Land improvements	4,315,495	416,455	-	4,731,950
Machinery and equipment	7,277,128	194,753	890,326	6,581,555
Right-to-use leased assets	212,919	122,617	5,817	329,719
Total capital assets being depreciated/amortized	41,439,273	961,790	1,007,683	41,393,380
Less accumulated depreciation/amortization for:				
Buildings	12,564,584	577,792	111,540	13,030,836
Land improvements	2,032,526	187,371	-	2,219,897
Machinery and equipment	5,528,177	567,177	890,326	5,205,028
Right-to-use leased assets	10,646	74,058	5,817	78,887
Total accumulated depreciation/amortization	20,135,933	1,406,398	1,007,683	20,534,648
Total capital assets being depreciated/amortized, net	21,303,340	(444,608)	-	20,858,732
Governmental activities capital assets, net	\$21,504,450	127,761	-	21,632,211
Business type activities:				
Machinery and equipment	\$ 542,339	72,965	19,961	595,343
Less accumulated depreciation	407,172	31,649	19,961	418,860
Business type activities capital assets, net	\$ 135,167	41,316	-	176,483

Depreciation/Amortization expense was charged to the following functions:

Governmental activities:	
Instruction:	
Regular	\$ 412,471
Other	11,637
Support services:	
Administration	45,860
Operation and maintenance of plant	59,083
Transportation	112,184
	641,235
Unallocated depreciation/amortization	765,163
Total governmental activities depreciation/amortization expense	\$ 1,406,398
Business type activities:	
Food service operations	\$ 31,649

Note 5. Construction Commitments

During fiscal year 2023, the District approved HVAC projects at various District buildings. As of June 30, 2023, the District had incurred expenditures of \$572,369 on the projects. Future costs of the projects will be paid as work progresses. Once completed, the project will be added to the District's capital asset listing.

Note 6. Interfund Transfers

Transfers generally move revenues from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources. The detail of interfund transfers for the year ended June 30, 2023 is as follows:

Transfer to	Transfer from	Amount
Debt Service	Capital Projects: Statewide Sales, Services and Use Tax	\$ 39,600
Debt Service	Capital Projects: Physical Plant and Equipment Levy	840,857
Capital Projects: Statewide Sales, Services and Use Tax	General Fund	601,612
Total		<u>\$ 1,482,069</u>

The transfer from the Capital Projects: Statewide Sales, Services and Use Tax Fund to the Debt Service Fund was for principal and interest payments on the District's liability associated with an office space lease agreement.

The transfer from the Capital Projects: Physical Plant and Equipment Levy Fund to the Debt Service Fund was for principal and interest payments on the District's liabilities associated with a lease agreement for District copiers and a computer purchase agreement.

The transfer from the General Fund to the Capital Projects: Statewide Sales, Services and Use Tax Fund was to move ESSER III grant revenues used for capital projects.

Note 7. Long-Term Liabilities

The long-term liabilities listed below are related to the District's governmental and business type activities. Changes in long-term liabilities for the year ended June 30, 2023 are summarized as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
Computer purchase agreement	\$ 1,764,052	-	787,871	976,181	479,955
Lease agreements	202,662	122,617	70,951	254,328	81,079
Termination benefits	137,775	-	45,820	91,955	32,620
Compensated absences	77,020	80,128	77,020	80,128	80,128
Net pension liability	249,199	6,538,503	-	6,787,702	-
Total OPEB liability	1,291,021	-	326,512	964,509	-
Total	<u>\$ 3,721,729</u>	<u>6,741,248</u>	<u>1,308,174</u>	<u>9,154,803</u>	<u>673,782</u>
Business type activities:					
Compensated absences	\$ 1,167	2,037	1,167	2,037	2,037
Net pension liability	5,293	133,938	-	139,231	-
Total OPEB liability	28,637	-	9,856	18,781	-
Total	<u>\$ 35,097</u>	<u>135,975</u>	<u>11,023</u>	<u>160,049</u>	<u>2,037</u>

Computer Purchase Agreement

On June 10, 2022, the District entered into a finance purchase agreement with Apple to buy computers. The liability associated with this purchase agreement will be liquidated with proceeds of the physical plant and equipment levy revenues received by the District.

Details of the District's June 30, 2023 computer purchase agreement indebtedness are as follows:

Year Ending June 30,	Computer Purchase Agreement Dated June 10, 2022				
	Interest Rate	Principal	Interest	Total	
2024	3.39 %	\$ 479,955	33,093	513,048	
2025	3.39	496,226	16,822	513,048	
Total		<u>\$ 976,181</u>	<u>49,915</u>	<u>1,026,096</u>	

Lease Agreements

On March 16, 2022, the District entered into a lease agreement for the right-to-use copiers. The agreement requires monthly payments of \$3,681 over 5 years with an implicit interest rate of 2.56% and final payment due June 1, 2027. During the year ended June 30, 2023, principal and interest paid were \$34,889 and \$4,842, respectively.

On June 20, 2022, the District entered into a lease agreement for the right-to-use office space. The agreement requires monthly payments of \$3,600 over 3 years with an implicit interest rate of 3.63% and final payment due July 1, 2025. During the year ended June 30, 2023, principal and interest paid were \$36,062 and \$3,538, respectively.

Year Ending June 30,	Copier Lease Dated March 16, 2022				Office Space Lease Dated June 20, 2022			Total		
	Interest Rate	Principal	Interest		Interest Rate	Principal	Interest	Principal	Interest	Total
2024	2.56 %	\$ 40,348	3,824		3.63 %	\$ 40,731	2,469	81,079	6,293	87,372
2025	2.56	41,393	2,779		3.63	42,235	965	83,628	3,744	87,372
2026	2.56	42,466	1,706		3.63	3,589	11	46,055	1,717	47,772
2027	2.56	43,566	606			-	-	43,566	606	44,172
Total		<u>\$ 167,773</u>	<u>8,915</u>			<u>\$ 86,555</u>	<u>3,445</u>	<u>254,328</u>	<u>12,360</u>	<u>266,688</u>

At the commencement of the lease, the District initially measures the right-to-use lease asset at the present value of payments expected to be made during the lease term, adjusted for any lease payments made at or before the lease commencement date, or other initial direct costs. The right-to-use lease asset is amortized on a straight-line basis over its useful life.

The right-to-use assets acquired through outstanding lease agreements and the corresponding accumulated amortization as of June 30, 2023, is as follows:

Asset	Governmental Activities
Right-to-use leased assets	\$ 329,719
Less: Accumulated amortization	(78,887)
Total	<u>\$ 250,832</u>

Debt Margin Computation

The June 30, 2023 outstanding debt issued by the District did not exceed its legal debt margin computed as follows:

Total assessed valuation	<u>\$ 650,724,398</u>
Debt limit, 5% of total assessed valuation	\$ 32,536,220
Amount of debt applicable to debt limit, total bonded debt	-
Excess of debt limit over bonded debt	<u>\$ 32,536,220</u>

Termination Benefits

Previously in fiscal year 2018 the District offered a voluntary retirement plan to certified and classified staff employees. This particular plan was offered to employees for only one year. Fiscal year 2018 certified staff retirees had the option of receiving 45% of the employee's final base salary paid out equally to a 403b Special Pay Deferral Plan while classified staff retirees had the option of receiving 45% of the employee's final salary or \$10,000, whichever is larger, paid out equally to a 403b Special Pay Deferral Plan on August 15, 2018 and August 15, 2019. Otherwise, classified and certified employees had the option of selecting a benefit requiring the District to contribute 90% towards premiums for continued coverage in the District's health insurance plan based on 2017-2018 single insurance allocation costs until age 65 or the employee becomes eligible for Medicare.

Previously in fiscal year 2017 the District offered a voluntary retirement plan to certified and classified staff employees. This particular plan was offered to employees for only one year. Fiscal year 2017 certified staff retirees had the option of receiving \$20,000 paid out equally to a 403b Special Pay Deferral Plan on August 15, 2017 and August 15, 2018 or receiving up to \$550 a month in District sponsors health insurance costs until age 65 or the employee becomes eligible for Medicare. Fiscal year 2017 classified staff retirees had the option of receiving \$10,000 paid out equally to a 403b Special Pay Deferral Plan on August 15, 2017 and August 15, 2018 or receiving up to \$275 a month in District sponsors health insurance costs until age 65 or the employee becomes eligible for Medicare.

At June 30, 2023, the District had obligations to seven total retiree participants (one from the fiscal year 2017 offering and six from the fiscal year 2018 offering) with a total liability of \$91,955. Actual termination benefits paid during the year ended June 30, 2023 totaled \$45,820. A liability has been recorded in the Statement of Net Position representing the District's commitment to fund non-current early retirement.

Note 8. Pension Plan

Plan Description - IPERS membership is mandatory for employees of the District, except for those covered by another retirement system. Employees of the District are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by the Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general information purposes only. Refer to the plan documents for more information.

Pension Benefits - A Regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, any time after reaching age 62 with 20 or more years of covered employment or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. These qualifications must be met on the member's first month of entitlement to benefits. Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier based on years of service.
- The member's highest five-year average salary, except for members with service before June 30, 2012 will use the highest three-year average salary as of that date if it is greater than the highest five-year average salary.

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25% for each month the member receives benefits before the member's earliest normal retirement age. For service earned on or after July 1, 2012, the reduction is 0.50% for each month the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Disability and Death Benefits - A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

Contributions - Contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2023, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the District contributed 9.44% of covered payroll, for a total rate of 15.73%.

The District's contributions to IPERS for the year ended June 30, 2023 totaled \$1,440,137.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2023, the District reported a liability of \$6,926,933 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2022, the District's proportion was 0.183342%, which was an increase of 0.109625% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$498,319. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 307,070	94,884
Changes of assumptions	5,877	165
Net difference between projected and actual earnings on IPERS' investments	-	741,506
Changes in proportion and differences between District contributions and the District's proportionate share of contributions	812,453	1,487,341
District contributions subsequent to the measurement date	1,440,137	-
Total	\$ 2,565,537	2,323,896

\$1,440,137 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2024	\$ (945,018)
2025	(589,698)
2026	(1,021,363)
2027	1,369,600
2028	(12,017)
Total	<u>\$ (1,198,496)</u>

There were no non-employer contributing entities at IPERS.

Actuarial Assumptions - The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation (effective June 30, 2017)	2.60% per annum.
Rates of salary increase (effective June 30, 2017)	3.25 to 16.25% average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 2017)	7.00% compounded annually, net of investment expense, including inflation.
Wage growth (effective June 30, 2017)	3.25% per annum, based on 2.60% inflation and 0.65% real wage inflation.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of a quadrennial experience study covering the period of July 1, 2017 through June 30, 2021.

Mortality rates used in the 2022 valuation were based on the PubG-2010 mortality tables with future mortality improvements modeled using Scale MP-2021.

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

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	22.0%	3.57%
International equity	17.5	4.79
Global smart beta equity	6.0	4.16
Core plus fixed income	20.0	1.66
Public credit	4.0	3.77
Cash	1.0	0.77
Private equity	13.0	7.57
Private real assets	8.5	3.55
Private credit	8.0	3.63
Total	<u>100.0%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate 1% lower (6.00%) or 1% higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$12,905,709	6,926,933	1,657,988

IPERS' Fiduciary Net Position - Detailed information about IPERS' fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

Payables to IPERS - At June 30, 2023, the District reported payables to IPERS of \$136,165 for legally required District contributions and \$90,729 for legally required employee contributions withheld from employee wages which had not yet been remitted to IPERS.

Note 9. Other Postemployment Benefits (OPEB)

Plan Description - The District administers a single-employer benefit plan which provides medical and prescription drug benefits for employees, retirees and their spouses. Group insurance benefits are established under Iowa Code Chapter 509A.13. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

OPEB Benefits - Individuals who are employed by the District and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement. Retirees under age 65 pay the same premium for the medical and prescription drug benefits as active employees, which results in an implicit rate subsidy and an OPEB liability.

Retired participants must be age 55 or older at retirement. As of the September 1, 2022 census date, used in the OPEB valuation dated July 1, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	14
Active employees	<u>295</u>
Total	<u>309</u>

Total OPEB Liability - The District's total OPEB liability of \$983,290 was measured as of June 30, 2023, and was determined by an actuarial valuation dated July 1, 2022.

Actuarial Assumptions - The total OPEB liability measured at June 30, 2023 was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation	2.60% per annum.
Rates of salary increase	3.25-16.25% variable based upon years of service, including inflation.
Discount rate	3.65% compounded annually, including inflation.
Healthcare cost trend rate	9.00% decreasing annually to an ultimate rate of 3.94%.

Discount Rate - The discount rate used to measure the total OPEB liability was 3.65% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the PubG-2010 Employee Table, projected generationally using MP-2021. Annual retirement probabilities are based on varying rates by age and turnover probabilities.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	\$ 1,319,658
Changes for the year:	
Service cost	98,289
Interest	40,052
Differences between expected and actual experiences	(438,519)
Changes in assumptions	27,445
Benefit payments	<u>(63,635)</u>
Net changes	<u>(336,368)</u>
Total OPEB liability end of year	<u>\$ 983,290</u>

Changes of assumptions reflect a change in the discount rate from 3.54% in fiscal year 2022 to 3.65% in fiscal year 2023.

Sensitivity of the District's Total OPEB Liability to Changes in the Discount Rate -

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate 1% lower (2.65%) or 1% higher (4.65%) than the current discount rate.

	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB liability	\$ 1,053,404	983,290	917,392

Sensitivity of the District's Total OPEB Liability to Changes in the Healthcare Cost

Trend Rates - The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates 1% lower (8.00%) or 1% higher (10.00%) than the current healthcare cost trend rates.

	1% Decrease (8.00%)	Healthcare Cost Trend Rate (9.00%)	1% Increase (10.00%)
Total OPEB liability	\$ 883,097	983,290	1,101,890

OPEB Expense, Deferred Outflows and Deferred Inflows of Resources Related to OPEB - For the year ended June 30, 2023, the District recognized OPEB expense of \$69,694. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 22,960	593,156
Changes in assumptions	158,371	126,734
Total	<u>\$ 181,331</u>	<u>719,890</u>

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ended June 30,	Amount
2024	\$ (68,647)
2025	(68,647)
2026	(67,831)
2027	(65,976)
2028	(66,333)
Thereafter	<u>(201,125)</u>
Total	<u>\$ (538,559)</u>

Note 10. Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the Area Education Agency. The District's actual amount for this purpose totaled \$873,943 for the year ended June 30, 2023 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

Note 11. Risk Management

Mount Pleasant Community School District is a member in the Iowa Education Benefits Program, an Iowa Code Chapter 28E organization. The Iowa Education Benefits Program is a local government risk-sharing pool whose members include various schools throughout the State of Iowa. The Iowa Education Benefits Program was formed for the purpose of managing and funding employee benefits. The Iowa Education Benefits Program provides coverage and protection in the following categories: medical, dental, vision, and prescription drugs.

Each member's contributions to the Iowa Education Benefits Program funds current operations and provide capital. Annual operating contributions are those amounts necessary to fund, on a cash basis, Iowa Education Benefits Program's general and administrative expenses, claims, claims expenses and insurance expense due and payable in the current year, plus all or any portion of any deficiency in capital. The District's contributions to the risk pool are recorded as expenditures from its General Fund at the time of payment to the risk pool. District contributions to Iowa Education Benefits Program for the year ended June 30, 2023 were \$2,426,229.

Payments from participating members are used to buy health insurance from Wellmark and paying dental and vision claims. In the event that claims exceed premiums and reserves, an assessment may be necessary to pay claims and replenish reserves in the program.

Members agree to continue membership in the pool for a period of not less than one full year. After such period, a member who has given 30 days prior written notice may withdraw. Iowa Education Benefits Program will pay claims incurred before the termination date.

Mount Pleasant Community School District is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 12. Categorical Funding

In accordance with Iowa Administrative Code Section 98.1, categorical funding is financial support from the state and federal governments targeted for particular categories of students, special programs or special purposes. This support is in addition to school district or area education agency general purpose revenue, for purposes beyond the basic educational program and most often has restrictions on its use. Any portion of categorical funding provided by the state that is not expended by the end of the fiscal year must be carried forward as a restricted fund balance.

The following is a schedule of the categorical funding restricted in the General Fund at June 30, 2023.

Program	Amount
Home School Assistance Program (HSAP)	\$ 429,256
Gifted and Talented Programs	77,421
Four-Year-Old Preschool State Aid	371,417
Beginning Teacher Mentoring and Induction	1,814
Successful Progression for Early Readers	32,312
Professional Development	42,323
Therapeutic Classroom Incentive Grant	36,701
Governor's Advisory Council STEM Scale-Up Programs	36,753
Total	<u>\$ 1,027,997</u>

Note 13. Tax Abatements

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

Tax Abatements of Other Entities

Lee County offered an urban revitalization tax abatement program pursuant to Chapter 404 of the Code of Iowa. With prior approval by the governing body, this program provides for an exemption of taxes based on a percentage of the actual value added by improvements.

Property tax revenues of the District were reduced by the following amounts for the year ended June 30, 2023 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
Lee County	Urban revitalization	\$ 1,595

Note 14. Disaggregation of Receivables and Payables

Receivables and payables are disaggregated on the face of the basic financial statements. All receivables are expected to be collected within the next year.

Note 15. Due From Other Governments

Amounts due from other governments by fund as of June 30, 2023, are as follows:

	General	Statewide Sales, Services & Use Tax
Local appropriation:		
Tuition	\$ 569,289	-
Great Prairie Area Education Agency	6,658	-
Total local appropriation	575,947	-
State appropriation:		
Non-public transportation aid	1,365	-
Fuel tax refund	2,940	-
Statewide sales, services and use tax	-	176,382
Total state appropriation	4,305	176,382
Federal appropriation:		
Title I	131,484	-
Title IV	2,561	-
Career and Technical Education - Basic Grants to States	130	-
Public Health Emergency Response: Cooperative Agreement for Emergency Response	14,713	-
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER III)	739,676	-
Total federal appropriation	888,564	-
Total due from other governments	\$ 1,468,816	176,382

Note 16. Reconciliation of Governmental Fund Balances to Net Position

Reconciliation of certain governmental fund balances to net position is as follows:

	Net investment in Capital Assets	Debt Service	Physical Plant and Equipment	Student Activity	Management Levy	Unassigned/ Unrestricted
Fund balance (Exhibit C)	\$ -	110,693	2,544,724	172,236	905,576	5,531,736
Capital assets, net of accumulated depreciation/amortization	21,632,211	-	-	-	-	-
Computer purchase agreement capitalized indebtedness	(976,181)	-	-	-	-	-
Indebtedness from lease agreements	(254,328)	-	-	-	-	-
Accrued interest payable	-	(31,279)	-	-	-	-
Income surtax	-	-	-	-	-	527,485
Termination benefits	-	-	-	-	(91,955)	-
Compensated absences	-	-	-	-	-	(80,128)
Pension related deferred outflows	-	-	-	-	-	2,513,970
Pension related deferred inflows	-	-	-	-	-	(2,277,186)
Net pension liability	-	-	-	-	-	(6,787,702)
Total OPEB liability	-	-	-	-	-	(964,509)
OPEB related deferred outflows	-	-	-	-	-	177,867
OPEB related deferred inflows	-	-	-	-	-	(706,140)
Nonspendable fund balance	-	-	21,788	89,727	-	71,674
Assigned fund balance	-	-	-	-	-	111,091
Net position (Exhibit A)	\$ 20,401,702	79,414	2,566,512	261,963	813,621	(1,881,842)

Note 17. Budget Overexpenditure

Per the Code of Iowa, expenditures may not exceed appropriations at the function level. During the year ended June 30, 2023 expenditures exceeded the amounts budgeted in the other expenditures function.

Note 18. Implementation of Accounting Standard

Governmental Accounting Standards Board Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs) was implemented during fiscal year 2023, however, implementation had no effect on the District for the year ended June 30, 2023.

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Required Supplementary Information

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES/EXPENSES AND
CHANGES IN BALANCES - BUDGET TO ACTUAL - ALL GOVERNMENTAL FUNDS
AND PROPRIETARY FUND
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2023

	Governmental Funds Actual	Proprietary Fund Actual	Total Actual	Budgeted Amounts		Final to Actual Variance
				Original	Final	
Revenues:						
Local sources	\$ 11,889,936	399,331	12,289,267	11,322,972	11,322,972	966,295
State sources	15,953,880	7,170	15,961,050	16,590,848	16,590,848	(629,798)
Federal sources	2,392,388	855,138	3,247,526	2,540,000	2,540,000	707,526
Total revenues	30,236,204	1,261,639	31,497,843	30,453,820	30,453,820	1,044,023
Expenditures/Expenses:						
Instruction	16,408,601	-	16,408,601	18,470,000	18,470,000	2,061,399
Support services	7,720,427	-	7,720,427	8,106,000	8,106,000	385,573
Non-instructional programs	-	1,086,214	1,086,214	1,103,000	1,103,000	16,786
Other expenditures	3,140,760	-	3,140,760	2,861,593	2,861,593	(279,167)
Total expenditures/expenses	27,269,788	1,086,214	28,356,002	30,540,593	30,540,593	2,184,591
Excess (Deficiency) of revenues over (under) expenditures/expenses	2,966,416	175,425	3,141,841	(86,773)	(86,773)	3,228,614
Other financing sources, net	373,864	-	373,864	25,000	25,000	348,864
Excess (Deficiency) of revenues and other financing sources over (under) expenditures/expenses	3,340,280	175,425	3,515,705	(61,773)	(61,773)	3,577,478
Balances beginning of year	11,108,773	750,820	11,859,593	10,089,079	10,089,079	1,770,514
Balances end of year	\$ 14,449,053	926,245	15,375,298	10,027,306	10,027,306	5,347,992

SEE ACCOMPANYING NOTES TO REQUIRED SUPPLEMENTARY INFORMATION -
BUDGETARY REPORTING.

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY REPORTING
YEAR ENDED JUNE 30, 2023

This budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds except Private Purpose Trust and Custodial Funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on a GAAP basis.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions, not by fund. These four functions are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated function level, not by fund. The Code of Iowa also provides District expenditures in the General Fund may not exceed the amount authorized by the school finance formula.

During the year ended June 30, 2023, expenditures in the other expenditures function exceeded the amounts budgeted.

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION
LIABILITY
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
FOR THE LAST NINE FISCAL YEARS*
REQUIRED SUPPLEMENTARY INFORMATION

	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.183342%	0.073717%	0.198351%	0.171352%	0.195414%	0.215611%	0.198872%	0.200855%	0.199517%
District's proportionate share of the net pension liability \$	6,926,933	254,492	13,933,617	9,922,382	12,368,278	14,362,413	12,515,623	9,923,218	7,912,443
District's covered payroll \$	14,784,501	14,737,372	15,755,900	13,043,117	14,704,653	16,195,137	14,283,084	13,764,032	13,048,623
District's proportionate share of the net pension liability as a percentage of its covered payroll	46.85%	1.73%	88.43%	76.07%	84.10%	88.68%	87.63%	72.10%	60.64%
IPERS' net position as a percentage of the total pension liability	91.40%	100.81%	82.90%	85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

* In accordance with GASB Statement No. 68, the amount presented for each fiscal year were determined as of June 30 of the preceding year.

SEE ACCOMPANYING NOTES TO REQUIRED SUPPLEMENTARY INFORMATION -
PENSION LIABILITY.

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
FOR THE LAST TEN YEARS
REQUIRED SUPPLEMENTARY INFORMATION

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contribution	\$ 1,440,137	1,395,657	1,391,208	1,487,357	1,231,270	1,313,126	1,446,226	1,275,480	1,229,128	1,165,242
Contributions in relation to the statutorily required contribution	(1,440,137)	(1,395,657)	(1,391,208)	(1,487,357)	(1,231,270)	(1,313,126)	(1,446,226)	(1,275,480)	(1,229,128)	(1,165,242)
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
District's covered payroll	\$ 15,252,105	14,784,501	14,737,372	15,755,900	13,043,117	14,704,653	16,195,137	14,283,084	13,764,032	13,048,623
Contributions as a percentage of covered payroll	9.44%	9.44%	9.44%	9.44%	9.44%	8.93%	8.93%	8.93%	8.93%	8.93%

SEE ACCOMPANYING NOTES TO REQUIRED SUPPLEMENTARY INFORMATION -
PENSION LIABILITY.

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION LIABILITY
YEAR ENDED JUNE 30, 2023

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

The 2022 valuation incorporated the following refinements after a quadrennial experience study:

- Changed mortality assumptions to the PubG-2010 mortality tables with mortality improvements modeled using Scale MP-2021.
- Adjusted retirement rates for Regular members.
- Lowered disability rates for Regular members.
- Adjusted termination rates for all membership groups.

The 2018 valuation implemented the following refinements as a result of a demographic assumption study dated June 28, 2018:

- Changed mortality assumptions to the RP-2014 mortality tables with mortality improvements modeled using Scale MP-2017.
- Adjusted retirement rates.
- Lowered disability rates.
- Adjusted the probability of a vested Regular member electing to receive a deferred benefit.
- Adjusted the merit component of the salary increase assumption.

The 2017 valuation implemented the following refinements as a result of an experience study dated March 24, 2017:

- Decreased the inflation assumption from 3.00% to 2.60%.
- Decreased the assumed rate of interest on member accounts from 3.75% to 3.50% per year.
- Decreased the discount rate from 7.50% to 7.00%.
- Decreased the wage growth assumption from 4.00% to 3.25%.
- Decreased the payroll growth assumption from 4.00% to 3.25%.

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25% to 3.00%.
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Moved from an open 30-year amortization period to a closed 30-year amortization period for the UAL (unfunded actuarial liability) beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S
TOTAL OPEB LIABILITY, RELATED RATIOS AND NOTES
FOR THE LAST SIX YEARS
REQUIRED SUPPLEMENTARY INFORMATION

	2023	2022	2021	2020	2019	2018
Service cost	\$ 98,289	124,698	132,906	99,856	95,819	90,527
Interest cost	40,052	32,135	32,072	46,598	47,394	42,622
Differences between expected and actual experiences	(438,519)	(39,871)	(254,224)	-	50,355	-
Changes in assumptions	27,445	(126,484)	107,328	111,078	(46,272)	(23,223)
Benefit payments	(63,635)	(67,402)	(71,277)	(77,830)	(61,198)	(51,521)
Net change in total OPEB liability	(336,368)	(76,924)	(53,195)	179,702	86,098	58,405
Total OPEB liability beginning of year	1,319,658	1,396,582	1,449,777	1,270,075	1,183,977	1,125,572
Total OPEB liability end of year	\$ 983,290	1,319,658	1,396,582	1,449,777	1,270,075	1,183,977
Covered-employee payroll	\$ 13,733,175	12,353,265	12,757,368	12,097,881	12,278,788	13,820,213
Total OPEB liability as a percentage of covered-employee payroll	7.16%	10.68%	10.95%	11.98%	10.34%	8.57%

SEE ACCOMPANYING NOTES TO REQUIRED SUPPLEMENTARY INFORMATION -
OPEB LIABILITY.

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - OPEB LIABILITY
YEAR ENDED JUNE 30, 2023

Notes to Schedule of Changes in the District's Total OPEB Liability and Related Ratios

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period.

Year ended June 30, 2023	3.65%
Year ended June 30, 2022	3.54%
Year ended June 30, 2021	2.16%
Year ended June 30, 2020	2.21%
Year ended June 30, 2019	3.50%
Year ended June 30, 2018	3.87%
Year ended June 30, 2017	3.58%

Supplementary Information

Mount Pleasant Community School District

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The District's three nonmajor special revenue funds are the Management Fund, Student Activity Fund and Debt Service Fund.

Management Levy Fund

This fund accounts for property taxes collected to pay property and boiler insurance, fidelity bonds, worker's compensation, liability insurance premiums, unemployment insurance claims and termination (early retirement) incentives.

Student Activity Fund

This fund accounts for funds raised by student groups. Under State Law, the Board retains responsibility for Student Activity Fund's ultimate disposition.

Debt Service Fund

This fund accounts for property taxes collected to pay the District's general obligation bond indebtedness. This fund also accounts for all principal and interest payments on the District's other debt obligations such as revenue bonds, computer purchase agreements and lease agreements.

Major Capital Projects Accounts

The Capital Projects accounts are used to account for all resources used in the acquisition and construction of capital facilities and other capital assets. Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, was implemented during the year ended June 30, 2011. As a result, the Physical Plant and Equipment Levy Fund account and Statewide Sales, Services and Use Tax Fund account are considered one Capital Projects Fund for financial reporting purposes.

Physical Plant and Equipment Levy Fund

This fund accounts for property taxes collected to pay for purchase and improvement of grounds, purchase of buildings, major repairs, remodeling, reconstruction, improving or expanding the schoolhouses or buildings, expenditures for energy conservation and for equipment purchases. The purchase of transportation vehicles also qualifies under the law.

Statewide Sales, Services and Use Tax Fund

This fund accounts for the revenue received from the statewide sales, service and use tax as well as proceeds from the sale of sales tax bond issuances. Expenditures relating to the acquisition, construction, remodeling, repairing, improving or expanding school facilities are authorized by the Code of Iowa.

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

	Special Revenue				
	Management Lewy	Student Activity	Total	Debt Service	Total Nonmajor
Assets					
Cash and pooled investments	\$ 899,616	175,973	1,075,589	110,693	1,186,282
Receivables:					
Property tax:					
Delinquent	5,960	-	5,960	-	5,960
Succeeding year	750,000	-	750,000	-	750,000
Accounts	-	47	47	-	47
Prepaid expenses	-	89,727	89,727	-	89,727
Total assets	\$ 1,655,576	265,747	1,921,323	110,693	2,032,016
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	\$ -	3,784	3,784	-	3,784
Deferred inflows of resources:					
Unavailable revenues:					
Succeeding year property taxes	750,000	-	750,000	-	750,000
Fund balances:					
Nonspendable	-	89,727	89,727	-	89,727
Restricted for:					
Debt service	-	-	-	110,693	110,693
Management levy purposes	905,576	-	905,576	-	905,576
Student activities	-	172,236	172,236	-	172,236
Total fund balances	905,576	261,963	1,167,539	110,693	1,278,232
Total liabilities, deferred inflows of resources and fund balances	\$ 1,655,576	265,747	1,921,323	110,693	2,032,016

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	Special Revenue			Debt Service	Total Nonmajor
	Management Levy	Student Activity	Total		
Revenues:					
Local sources:					
Local tax	\$ 720,276	-	720,276	-	720,276
Other	27,446	376,688	404,134	4,762	408,896
Total revenues	747,722	376,688	1,124,410	4,762	1,129,172
Expenditures:					
Current:					
Instruction:					
Other	-	278,393	278,393	-	278,393
Support services:					
Administration	226,958	-	226,958	-	226,958
Operation and maintenance of plant	138,841	-	138,841	-	138,841
Transportation	37,685	-	37,685	-	37,685
Long-term debt:					
Principal	-	-	-	858,822	858,822
Interest and fiscal charges	-	-	-	21,635	21,635
Total expenditures	403,484	278,393	681,877	880,457	1,562,334
Excess (Deficiency) of revenues over (under) expenditures	344,238	98,295	442,533	(875,695)	(433,162)
Other financing sources:					
Transfer in	-	-	-	880,457	880,457
Change in fund balances	344,238	98,295	442,533	4,762	447,295
Fund balances beginning of year	561,338	163,668	725,006	105,931	830,937
Fund balances end of year	\$ 905,576	261,963	1,167,539	110,693	1,278,232

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUND ACCOUNTS
JUNE 30, 2023

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Lewy	Total
Assets			
Cash and pooled investments	\$ 3,994,752	2,547,284	6,542,036
Receivables:			
Property tax:			
Delinquent	-	8,825	8,825
Succeeding year	-	1,079,760	1,079,760
Due from other governments	176,382	-	176,382
Prepaid expenses	-	21,788	21,788
Total assets	\$ 4,171,134	3,657,657	7,828,791
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 309,323	11,385	320,708
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	-	1,079,760	1,079,760
Fund balances:			
Nonspendable	-	21,788	21,788
Restricted for:			
School infrastructure	3,861,811	-	3,861,811
Physical plant and equipment	-	2,544,724	2,544,724
Total fund balances	3,861,811	2,566,512	6,428,323
Total liabilities, deferred inflows of resources and fund balances	\$ 4,171,134	3,657,657	7,828,791

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUND ACCOUNTS
YEAR ENDED JUNE 30, 2023

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Lewy	Total
Revenues:			
Local sources:			
Local tax	\$ -	1,087,432	1,087,432
Other	122,959	90,548	213,507
State sources	2,197,636	-	2,197,636
Total revenues	2,320,595	1,177,980	3,498,575
Expenditures:			
Current:			
Instruction:			
Regular	714	21,060	21,774
Support services:			
Instructional staff	18,175	30,414	48,589
Administration	29,376	277,137	306,513
Operation and maintenance of plant	176,036	3,063	179,099
Transportation	54,588	24,235	78,823
Capital outlay	1,377,475	8,885	1,386,360
Total expenditures	1,656,364	364,794	2,021,158
Excess of revenues over expenditures	664,231	813,186	1,477,417
Other financing sources (uses):			
Proceeds from the sale of equipment	-	234,641	234,641
Proceeds from lease agreements	122,617	-	122,617
Transfer in	601,612	-	601,612
Transfer out	(39,600)	(840,857)	(880,457)
Total other financing sources (uses)	684,629	(606,216)	78,413
Change in fund balances	1,348,860	206,970	1,555,830
Fund balances beginning of year	2,512,951	2,359,542	4,872,493
Fund balances end of year	\$ 3,861,811	2,566,512	6,428,323

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

Statistical Section

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Mt. Pleasant Community School District

Statistical Section

(Unaudited)

This part of the Mt. Pleasant Community School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	74-89
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
Revenue Capacity	90-93
These schedules contain trend information to help the reader assess the factors affecting the District's ability to generate its property taxes.	
Debt Capacity	94-100
These schedules contain trend information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
Demographic and Economic Information	101-105
These schedules offer demographic and economic indicators to help the reader understand the environment within the District's financial activities take place and to help make comparisons over time and with other governments.	
Operating Information	106-110
These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	

Schedule 1
Mt. Pleasant Community School District

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2014	2015	2016	2017	2018
Governmental activities:					
Net investment in capital assets	\$ 12,360,317	\$ 13,185,286	\$ 13,627,598	\$ 14,855,209	\$ 17,021,520
Restricted	2,652,456	3,705,758	4,820,485	4,839,040	3,957,582
Unrestricted	2,567,757	(6,187,398)	(6,095,490)	(6,984,472)	(9,568,846)
Total governmental activities net position	\$ 17,580,530	\$ 10,703,646	\$ 12,352,593	\$ 12,709,777	\$ 11,410,256
Business type activities:					
Net investment in capital assets	\$ 97,374	\$ 119,175	\$ 160,900	\$ 171,926	\$ 155,321
Restricted	-	-	-	-	-
Unrestricted	201,853	12,481	47,017	29,473	79,306
Total business type activities net position	\$ 299,227	\$ 131,656	\$ 207,917	\$ 201,399	\$ 234,627
Primary government:					
Net investment in capital assets	\$ 12,457,691	\$ 13,304,461	\$ 13,788,498	\$ 15,027,135	\$ 17,176,841
Restricted	2,652,456	3,705,758	4,820,485	4,839,040	3,957,582
Unrestricted	2,769,610	(6,174,917)	(6,048,473)	(6,954,999)	(9,489,540)
Total primary government net position	\$ 17,879,757	\$ 10,835,302	\$ 12,560,510	\$ 12,911,176	\$ 11,644,883

Notes: District implemented GASB statement No. 96 during fiscal year 2023.
District implemented GASB statement No. 87 during fiscal year 2022.
District implemented GASB statement No. 75 during fiscal year 2018.
District implemented GASB statements No. 68 and No. 71 during fiscal year 2015.
District implemented GASB statement No. 63 during fiscal year 2013.
Prior to fiscal year 2013, the term "net assets" was used rather than "net position".

Source: School District financial records.

Fiscal Year				
2019	2020	2021	2022	2023
\$ 18,444,748	\$ 19,162,446	\$ 19,244,774	\$ 19,537,736	\$ 20,401,702
3,842,943	4,076,463	5,436,346	6,623,393	8,611,318
(10,553,348)	(9,032,213)	(8,669,584)	(5,158,467)	(1,881,842)
<u>\$ 11,734,343</u>	<u>\$ 14,206,696</u>	<u>\$ 16,011,536</u>	<u>\$ 21,002,662</u>	<u>\$ 27,131,178</u>
\$ 169,751	\$ 174,594	\$ 159,865	\$ 135,167	\$ 176,483
-	-	-	-	-
91,087	16,256	155,856	615,653	749,762
<u>\$ 260,838</u>	<u>\$ 190,850</u>	<u>\$ 315,721</u>	<u>\$ 750,820</u>	<u>\$ 926,245</u>
\$ 18,614,499	\$ 19,337,040	\$ 19,404,639	\$ 19,672,903	\$ 20,578,185
3,842,943	4,076,463	5,436,346	6,623,393	8,611,318
(10,462,261)	(9,015,957)	(8,513,728)	(4,542,814)	(1,132,080)
<u>\$ 11,995,181</u>	<u>\$ 14,397,546</u>	<u>\$ 16,327,257</u>	<u>\$ 21,753,482</u>	<u>\$ 28,057,423</u>

Schedule 2
Mt. Pleasant Community School District

Expenses, Program Revenues and Net (Expense) Revenue
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2014	2015	2016	2017	2018
Expenses:					
Governmental activities:					
Instruction	\$ 14,849,915	\$ 15,360,049	\$ 16,616,005	\$ 17,735,756	\$ 17,329,070
Student services	481,568	575,364	504,442	488,608	537,895
Instructional staff services	299,866	354,803	326,993	360,145	450,666
Administration services	2,721,104	2,649,082	2,511,071	2,851,263	3,038,238
Operation and maintenance of plant	1,711,217	1,577,244	1,685,302	1,835,785	2,148,000
Student transportation services	986,772	956,674	916,600	962,095	958,772
Community services	23,523	26,802	27,557	28,200	29,474
Long-term debt interest	195,048	152,852	127,362	95,519	65,808
AEA flowthrough	796,816	809,584	834,820	837,272	852,836
Depreciation/amortization (unallocated)	626,678	641,535	578,987	592,400	601,779
Total governmental activities expenses	22,692,507	23,103,989	24,129,139	25,787,043	26,012,538
Business type activities:					
Operation and maintenance of plant	14,176	15,218	15,487	-	-
Food service operations	1,006,892	985,554	1,048,258	1,069,756	950,271
Total business type activities expenses	1,021,068	1,000,772	1,063,745	1,069,756	950,271
Total primary government expenses	\$ 23,713,575	\$ 24,104,761	\$ 25,192,884	\$ 26,856,799	\$ 26,962,809
Program revenues:					
Governmental activities:					
Charges for service:					
Instruction	\$ 1,794,346	\$ 1,863,039	\$ 1,529,959	\$ 1,420,737	\$ 1,383,666
Support services	3,106	2,953	2,960	4,927	3,439
Operating grants and contributions	2,350,003	2,054,854	2,115,634	2,181,400	2,185,882
Capital grants and contributions	-	-	122,900	-	-
Total governmental activities program revenues	\$ 4,147,455	\$ 3,920,846	\$ 3,771,453	\$ 3,607,064	\$ 3,572,987

(Continued on the following page.)

Fiscal Year				
2019	2020	2021	2022	2023
\$ 17,281,023	\$ 15,669,745	\$ 16,660,795	\$ 16,359,645	\$ 15,354,124
546,668	623,203	624,572	544,153	636,197
361,296	913,917	1,217,727	764,749	872,164
3,143,247	3,333,541	3,414,603	3,242,325	2,962,711
1,984,644	1,331,118	1,834,405	1,743,561	1,660,046
1,024,360	983,138	1,078,687	1,021,618	960,669
28,589	20,709	33,124	13,475	-
49,863	64,547	34,948	17,503	42,828
850,455	861,678	876,684	876,791	873,943
756,757	826,305	745,789	873,583	765,163
26,026,902	24,627,901	26,521,334	25,457,403	24,127,845
-	-	-	-	-
1,002,896	912,700	1,022,005	977,004	1,086,214
1,002,898	912,700	1,022,005	977,004	1,086,214
\$ 27,029,800	\$ 25,540,601	\$ 27,543,339	\$ 26,434,407	\$ 25,214,059
\$ 1,501,800	\$ 1,302,285	\$ 1,411,334	\$ 1,469,872	\$ 1,571,895
5,724	3,873	1,939	1,088	1,389
1,933,845	2,419,735	2,931,162	3,392,677	3,097,138
-	150,033	191,180	197,100	601,612
\$ 3,441,369	\$ 3,875,926	\$ 4,535,615	\$ 5,060,737	\$ 5,272,034

Schedule 2
Mt. Pleasant Community School District

Expenses, Program Revenues and Net (Expense) Revenue (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2014	2015	2016	2017	2018
Business type activities:					
Charges for services:					
Food service operations	403,500	394,566	395,430	380,393	370,051
Operating grants and contributions	639,900	657,576	740,687	677,387	645,353
Total business type					
program revenues	1,043,400	1,052,142	1,136,117	1,057,780	1,015,404
Total primary government					
program revenues	\$ 5,190,855	\$ 4,972,988	\$ 4,907,570	\$ 4,664,844	\$ 4,588,391
Net (expense) revenue:					
Governmental activities	\$ (18,545,052)	\$ (19,183,143)	\$ (20,357,686)	\$ (22,179,979)	\$ (22,439,551)
Business type activities	22,332	51,370	72,372	(11,976)	65,133
Total primary government					
net expense	\$ (18,522,720)	\$ (19,131,773)	\$ (20,285,314)	\$ (22,191,955)	\$ (22,374,418)

Source: School District financial records.

Fiscal Year				
2019	2020	2021	2022	2023
364,555	263,353	94,980	87,632	357,735
676,329	568,783	1,041,071	1,303,345	862,308
1,040,884	832,136	1,136,051	1,390,977	1,220,043
<u>\$ 4,482,253</u>	<u>\$ 4,708,062</u>	<u>\$ 5,671,666</u>	<u>\$ 6,451,714</u>	<u>\$ 6,492,077</u>
\$ (22,585,533)	\$ (20,751,975)	\$ (21,985,719)	\$ (20,396,666)	\$ (18,855,811)
37,986	(80,564)	114,046	413,973	133,829
<u>\$ (22,547,547)</u>	<u>\$ (20,832,539)</u>	<u>\$ (21,871,673)</u>	<u>\$ (19,982,693)</u>	<u>\$ (18,721,982)</u>

Schedule 3
Mt. Pleasant Community School District

General Revenues and Total Change in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2014	2015	2016	2017	2018
Net (expense) revenue:					
Governmental activities	\$ (18,545,052)	\$ (19,183,143)	\$ (20,357,686)	\$ (22,179,979)	\$ (22,439,551)
Business type activities	22,332	51,370	72,372	(11,976)	65,133
Total primary government net expense	(18,522,720)	(19,131,773)	(20,285,314)	(22,191,955)	(22,374,418)
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Property taxes levied for general purposes	5,835,489	5,695,616	5,875,469	5,763,897	6,368,454
Property taxes levied for debt service	843,454	297,689	408,051	600,954	-
Property taxes levied for capital projects	168,105	860,558	861,944	868,098	917,678
Income surtax	463,663	457,797	536,594	528,139	436,009
Statewide sales, services and use tax	1,778,016	1,860,402	1,898,660	1,907,370	1,835,389
Unrestricted state grants	10,668,081	11,799,047	12,221,264	12,671,782	12,276,254
Unrestricted investment earnings	58,475	68,249	70,963	96,641	162,015
Other	174,470	161,235	133,688	100,282	81,617
Transfers	-	-	-	-	22,349
Total governmental activities	19,989,753	21,200,593	22,006,633	22,537,163	22,099,765
Business type activities:					
Other	2,453	4,324	1,698	2,280	2,684
Unrestricted investment earnings	2,237	1,989	2,191	3,178	6,036
Transfers	-	-	-	-	(22,349)
Total business type activities	4,690	6,313	3,889	5,458	(13,629)
Total primary government	19,994,443	21,206,906	22,010,522	22,542,621	22,086,136
Change in net position:					
Governmental activities	1,444,701	2,017,450	1,648,947	357,184	(339,786)
Business type activities	27,022	57,683	76,261	(6,518)	51,504
Total primary government	\$ 1,471,723	\$ 2,075,133	\$ 1,725,208	\$ 350,666	\$ (288,282)

Note: District implemented GASB statement No. 96 during fiscal year 2023.
District implemented GASB statement No. 87 during fiscal year 2022.
District implemented GASB statement No. 75 during fiscal year 2018.
District implemented GASB statements No. 68 and No. 71 during fiscal year 2015.
District implemented GASB statement No. 63 during fiscal year 2013.
Prior to fiscal year 2013, the term "net assets" was used rather than "net position".
Source: School District financial records.

Fiscal Year				
2019	2020	2021	2022	2023
\$ (22,585,533)	\$ (20,751,975)	\$ (21,985,719)	\$ (20,396,666)	\$ (18,855,811)
37,986	(80,564)	114,046	413,973	133,829
(22,547,547)	(20,832,539)	(21,871,673)	(19,982,693)	(18,721,982)
6,697,858	6,930,543	7,396,944	7,553,998	7,853,726
-	-	-	-	-
949,611	980,551	1,039,557	1,061,583	1,087,432
521,558	595,268	552,647	472,619	606,757
1,984,839	1,991,982	1,900,310	2,556,476	2,197,636
12,251,640	12,471,526	12,578,917	12,925,339	12,580,974
189,141	131,265	85,561	109,786	561,742
289,234	123,193	236,623	148,744	96,060
25,739	-	-	(12,622)	-
22,909,620	23,224,328	23,790,559	24,815,923	24,984,327
3,624	3,053	8,232	2,486	3,264
10,340	7,523	2,593	6,018	38,332
(25,739)	-	-	12,622	-
(11,775)	10,576	10,825	21,126	41,596
22,897,845	23,234,904	23,801,384	24,837,049	25,025,923
324,087	2,472,353	1,804,840	4,419,257	6,128,516
26,211	(69,988)	124,871	435,099	175,425
\$ 350,298	\$ 2,402,365	\$ 1,929,711	\$ 4,854,356	\$ 6,303,941

Schedule 4
Mt. Pleasant Community School District

Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2014	2015	2016	2017	2018
General Fund:					
Restricted	\$ 296,206	\$ 563,991	\$ 733,702	\$ 797,558	\$ 981,954
Nonspendable	21,461	58,487	40,756	21,068	25,161
Assigned	82,826	70,568	76,162	64,049	64,128
Unassigned	2,197,576	1,820,608	1,633,712	1,032,869	845,158
Total General Fund	\$ 2,598,069	\$ 2,513,654	\$ 2,484,332	\$ 1,915,544	\$ 1,916,401
All other governmental funds:					
Restricted, reported in:					
Capital projects funds	\$ 1,490,611	\$ 2,263,360	\$ 3,159,948	\$ 3,439,107	\$ 2,384,531
Special revenue funds	406,237	355,202	358,185	334,712	404,735
Debt service funds	599,668	621,587	641,432	467,801	471,696
Nonspendable	-	-	-	-	-
Total all other governmental funds	\$ 2,496,516	\$ 3,240,149	\$ 4,159,565	\$ 4,241,620	\$ 3,260,962

Source: School District financial records.

Fiscal Year				
2019	2020	2021	2022	2023
\$ 1,090,809	\$ 897,367	\$ 923,166	\$ 1,076,152	\$ 1,027,997
31,326	50,449	60,577	82,519	71,674
94,820	99,210	105,527	107,344	111,091
1,323,333	2,277,360	3,163,357	4,139,328	5,531,736
<u>\$ 2,540,288</u>	<u>\$ 3,324,386</u>	<u>\$ 4,252,627</u>	<u>\$ 5,405,343</u>	<u>\$ 6,742,498</u>

\$ 2,133,219	\$ 2,868,128	\$ 4,022,584	\$ 4,864,165	\$ 6,406,535
492,307	491,550	601,391	725,006	1,077,812
475,044	104,669	104,905	105,931	110,693
-	375,211	362,176	8,328	111,515
<u>\$ 3,100,570</u>	<u>\$ 3,839,558</u>	<u>\$ 5,091,056</u>	<u>\$ 5,703,430</u>	<u>\$ 7,706,555</u>

Schedule 5
Mt. Pleasant Community School District

Governmental Funds Revenues
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2014	2015	2016	2017	2018
Federal sources:					
Federal sources:	\$ 960,157	\$ 863,557	\$ 873,334	\$ 944,310	\$ 883,103
Total federal sources	960,157	863,557	873,334	944,310	883,103
State sources:					
State sources:	13,798,472	14,829,933	15,337,955	15,796,960	15,300,948
Total state sources	13,798,472	14,829,933	15,337,955	15,796,960	15,300,948
Local sources:					
Local taxes	7,290,729	7,304,300	7,674,922	7,700,338	7,765,844
Tuition	1,427,114	1,460,664	1,117,936	1,032,549	1,013,188
Other revenues	640,754	655,625	766,803	609,320	731,023
Total local sources	9,358,597	9,420,589	9,559,661	9,342,207	9,510,055
Total revenues	\$ 24,117,226	\$ 25,114,079	\$ 25,770,950	\$ 26,083,477	\$ 25,694,106

Source: School District financial records.

Fiscal Year				
2019	2020	2021	2022	2023
\$ 734,577	\$ 1,266,011	\$ 1,649,403	\$ 2,304,061	\$ 2,392,388
734,577	1,266,011	1,649,403	2,304,061	2,392,388
15,385,831	15,574,861	15,745,950	16,755,728	15,953,880
15,385,831	15,574,861	15,745,950	16,755,728	15,953,880
8,156,992	8,472,436	8,940,883	9,142,794	9,527,758
1,155,155	1,011,650	1,138,837	1,166,625	1,215,981
880,660	741,370	802,836	574,668	1,146,197
10,192,807	10,225,456	10,882,556	10,884,087	11,889,936
\$ 26,313,215	\$ 27,066,328	\$ 28,277,909	\$ 29,943,876	\$ 30,236,204

Schedule 6
Mt. Pleasant Community School District

Governmental Funds Expenditures and Debt Service Ratio
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2014	2015	2016	2017	2018
Instruction	\$ 14,894,788	\$ 15,744,583	\$ 16,823,956	\$ 17,259,555	\$ 16,237,328
Student services	482,119	585,171	484,764	526,165	503,549
Instructional staff services	299,971	355,394	301,760	376,845	394,189
Administration services	2,710,096	2,713,551	2,549,245	2,951,762	2,823,025
Operation and maintenance of plant services	1,622,745	1,587,414	1,598,156	1,605,995	1,693,402
Student transportation services	791,448	751,051	1,249,881	763,808	1,277,410
Community services	23,523	26,802	27,557	28,200	29,474
AEA Flowthrough	796,816	809,584	834,820	837,272	852,836
Capital outlay/construction	145,808	164,550	142,095	568,687	2,429,043
Debt service:					
Principal	1,586,824	1,589,944	1,175,470	1,563,836	858,791
Interest	211,552	170,736	128,962	108,713	68,255
Total expenditures	\$ 23,565,690	\$ 24,498,780	\$ 25,316,666	\$ 26,590,838	\$ 27,167,302
Debt service as a percentage of noncapital expenditures	7.68%	7.24%	5.18%	6.43%	3.75%

Source: School District financial records.

Fiscal Year				
2019	2020	2021	2022	2023
\$ 17,025,924	\$ 15,840,340	\$ 16,420,813	\$ 18,620,374	\$ 16,408,601
529,650	598,336	615,083	592,833	700,588
345,179	903,171	891,127	901,220	983,364
2,989,785	3,244,997	3,215,061	3,337,463	3,147,405
1,722,144	1,618,905	1,737,376	1,906,333	1,918,679
808,938	761,115	1,220,832	950,261	970,391
28,589	20,709	33,124	13,475	-
850,455	861,678	876,684	876,791	873,943
1,774,526	677,431	316,375	1,422,830	1,386,360
870,945	1,168,048	1,171,648	1,097,816	858,822
58,852	50,428	50,259	32,777	21,635
\$ 27,004,987	\$ 25,745,158	\$ 26,548,382	\$ 29,752,173	\$ 27,269,788
3.69%	4.86%	4.66%	3.99%	3.40%

Schedule 7
Mt. Pleasant Community School District

Other Financing Sources and Uses and Change in Fund Balances
Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2014	2015	2016	2017	2018
Excess(Deficiency) of revenues over (under) expenditures	\$ 551,536	\$ 615,299	\$ 454,284	\$ (507,361)	\$ (1,473,196)
Other financing sources (uses):					
Proceeds from office space lease	-	-	-	-	-
Proceeds on school bus lease	-	-	433,275	-	434,596
Proceeds from computer lease	-	-	-	-	-
Sale of equipment	3,508	43,919	2,535	12,086	21,399
Compensation for loss on capital assets	-	-	-	8,542	15,051
Transfers in	945,021	909,679	904,744	865,093	948,947
Transfers out	(945,021)	(909,679)	(904,744)	(865,093)	(926,598)
Total other financing sources (uses)	3,508	43,919	435,810	20,628	493,395
Change in fund balances	\$ 555,044	\$ 659,218	\$ 890,094	\$ (486,733)	\$ (979,801)

Source: School District financial records.

Fiscal Year				
2019	2020	2021	2022	2023
\$ (691,772)	\$ 1,321,170	\$ 1,729,527	\$ 191,703	\$ 2,966,416
-	-	-	-	122,617
-	-	430,696	-	-
1,091,318	-	-	1,538,725	-
15,297	201,916	14,542	47,284	251,247
22,913	-	4,974	-	-
951,234	1,218,776	1,194,373	816,291	1,482,069
(925,495)	(1,218,776)	(1,194,373)	(828,913)	(1,482,069)
1,155,267	201,916	450,212	1,573,387	373,864
\$ 463,495	\$ 1,523,086	\$ 2,179,739	\$ 1,765,090	\$ 3,340,280

Schedule 8
Mt. Pleasant Community School District

Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Actual Value			Less Exemptions	Total Taxable Value	Total Direct Rate (a)
	Residential Property	Commercial Property	Other Property			
2014	434,164,870	136,645,020	197,499,763	283,122,748	485,186,905	13.87299
2015	418,088,001	137,200,340	242,464,366	313,214,043	484,538,664	13.99535
2016	423,036,620	138,982,430	244,030,057	316,941,194	489,107,913	14.24826
2017	451,433,515	141,087,701	260,050,395	324,747,808	527,823,803	14.32722
2018	457,686,970	158,723,886	262,006,135	348,885,310	529,531,681	13.65580
2019	504,293,609	159,780,780	227,337,641	335,060,543	556,351,487	13.82876
2020	511,942,005	166,472,756	235,616,926	330,900,294	583,131,393	13.83409
2021	551,870,660	156,880,625	224,010,633	326,343,950	606,417,968	13.89062
2022	574,558,320	175,779,516	205,634,709	335,739,474	620,233,071	13.98166
2023	591,270,165	148,995,854	207,174,093	314,474,319	632,965,793	14.05440

Source: Henry County Auditor

Notes: Property is assessed on a calendar year basis. The assessments finalized as of January 1 of each year are applied to the following fiscal year. Assessed value equals estimated actual value.

(a) Per \$1,000 of assessed value.

Schedule 9
Mt. Pleasant Community School District

Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$1,000 of assessed value)
(Unaudited)

Fiscal Year Ended June 30	District Direct Rates					Overlapping Rates					
	General Purposes	Capital Purposes	Debt Service	Management	Total	County	Community College	City of Mt. Pleasant	Town of Salem	Town of Rome	Town of Westwood
2014	11.33646	0.33000	1.85574	0.55079	13.97299	9.71751	1.01523	12.18244	13.20649	8.10000	7.30350
2015	11.23790	0.59000	1.69277	0.47468	13.99535	9.68627	1.03893	12.18480	12.69533	8.10000	7.30344
2016	11.11613	1.67000	0.78743	0.67470	14.24826	9.64890	1.12916	12.18244	13.20649	8.10000	7.30350
2017	10.81249	1.66966	1.55850	0.68922	14.32722	8.77800	1.15788	12.18072	11.75100	8.10000	7.30338
2018	11.13599	1.67000	0.00000	0.84981	13.65580	6.79984	1.15723	12.18159	15.52055	8.10000	7.28151
2019	11.17018	1.67000	0.00000	0.98858	13.82876	7.49000	1.15723	12.18171	16.11517	8.10000	7.28136
2020	11.28093	1.67000	0.00000	0.88316	13.83409	7.84000	1.15723	12.18158	14.46220	8.10000	7.24735
2021	11.28892	1.67000	0.00000	0.93170	13.89062	8.55848	1.18723	11.93953	13.87321	8.10000	7.23609
2022	11.32816	1.67000	0.00000	0.98350	13.98166	8.47159	1.24723	11.59758	13.35531	8.10000	7.07517
2023	11.24690	1.67000	0.00000	1.13750	14.05440	8.47700	1.29223	11.56173	13.91549	8.10000	7.38140

Source: Henry County Auditor

Notes: Assessed value equals estimated value.

Schedule 10
Mt. Pleasant Community School District

Principal Property Taxpayers
Current Year and Nine Years Ago
(Unaudited)

Taxpayer	2023			2014		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Wal-Mart Property, Inc.	\$ 21,766,345	1	3.44%	\$ 25,947,780	1	5.35%
BNSF Railway	14,866,143	2	2.35%	8,002,731	3	1.65%
Wal-Mart Real Estate Business Trust	10,398,914	3	1.64%	9,689,960	2	2.00%
Becks Superior Hybrids, Inc.	9,741,459	4	1.54%	4,891,650	6	1.01%
Hearth and Home Technologies, LLC	6,996,718	5	1.11%			
Veyance Technologies	5,428,706	6	0.86%			
KCM Properties, LLC	5,083,216	7	0.80%	5,421,680	4	1.12%
WCK Mt. Pleasant LC	4,691,474	8	0.74%	4,241,840	7	0.87%
Access Energy Cooperative	3,764,091	9	0.59%			
ANR Pipeline Company	3,706,886	10	0.59%			
Iowa Telecommunications Services				5,079,072	5	1.05%
Jasmin LLP				3,723,030	8	0.77%
Gregory Shottenkirk				3,532,140	9	0.73%
Protein Processing LLC				3,365,600	10	0.69%
Total	\$ 86,443,952		13.66%	\$ 73,895,473		15.24%

Source: Henry County Auditor

Schedule 11
Mt. Pleasant Community School District

Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	\$ 6,770,433	\$ 6,762,735	99.89%	\$ 2,074	\$ 6,764,809	99.92%
2015	6,827,084	6,799,779	99.60%	93	6,799,872	99.60%
2016	7,018,278	7,062,802	100.63%	5,273	7,068,075	100.71%
2017	7,256,880	7,149,897	98.53%	2,785	7,152,682	98.56%
2018	7,197,545	7,208,613	100.15%	3,600	7,212,213	100.20%
2019	7,658,422	7,565,366	98.78%	2,642	7,568,008	98.82%
2020	8,029,607	7,823,584	97.43%	79,781	7,903,365	98.43%
2021	8,385,845	8,273,683	98.66%	961	8,274,644	98.67%
2022	8,630,896	8,530,202	98.83%	785	8,530,987	98.84%
2023	8,864,426	8,529,417	96.22%	-	8,529,417	96.22%

Source: Henry County Treasurer and District records.

Schedule 12
Mt. Pleasant Community School District

Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

(Unaudited)

Fiscal Year	General Obligation Bonds	Revenue Bonds	Less: Amounts Available for Debt Service (c)	Total Bonds	Percent of Actual Taxable Value of Property to Total Bonds (a)	Percent of Actual Taxable Value of Property to General Obligation Bonds (a)	Per Capita (b)
2014	\$ 1,950,000	5,121,000	\$ 599,667	\$ 6,471,333	1.27%	0.27%	\$497
2015	1,150,000	4,487,000	621,587	5,015,413	1.00%	0.10%	\$386
2016	785,000	3,839,000	641,432	3,982,568	0.78%	0.03%	\$306
2017	-	3,176,000	467,801	2,708,199	0.53%	0.00%	\$208
2018	-	2,493,000	471,696	2,021,304	0.37%	0.00%	\$155
2019	-	1,793,000	475,044	1,317,956	0.23%	0.00%	\$103
2020	-	1,078,000	479,880	598,120	0.10%	0.00%	\$47
2021	-	345,000	345,000	-	0.00%	0.00%	\$0
2022	-	-	-	-	0.00%	0.00%	\$0
2023	-	-	-	-	0.00%	0.00%	\$0

Source: School District financial records and Henry County Auditor.

Notes:

- (a) Actual taxable value of property includes Tax Increment Financing valuation. Assessed value equals estimated actual value.
- (b) See Schedule 17 for population data.
- (c) Information includes debt reserve amount in Capital Projects Fund.

Schedule 13
Mt. Pleasant Community School District

Outstanding Debt by Type
Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Governmental Activities				Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Revenue Bonds	Purchase Agreements	Lease Agreements			
2014	\$ 1,950,000	\$ 5,121,000	\$ 260,940	\$ -	\$ 7,331,940	2.78%	\$ 564
2015	1,150,000	4,487,000	104,996	-	5,741,996	2.33%	441
2016	785,000	3,839,000	375,801	-	4,999,801	2.02%	384
2017	-	3,176,000	259,965	-	3,435,965	1.32%	264
2018	-	2,493,000	518,770	-	3,011,770	1.10%	232
2019	-	1,793,000	1,439,143	-	3,232,143	1.21%	253
2020	-	1,078,000	986,095	-	2,064,095	0.76%	151
2021	-	345,000	978,143	-	1,323,143	N/A	101
2022	-	-	1,764,052	202,662	1,966,714	N/A	151
2022	-	-	976,181	254,328	1,230,509	N/A	75

Source: School District financial records.

Notes: N/A = not available. Details of the District's outstanding debt can be found in Note 6 in the Notes to Financial Statements.

(a) See Schedule 17 for personal income and population data. These ratios are calculated using personal income and population for the prior year calendar year.

District implemented GASB statement No. 87 during fiscal year 2022. Prior to FY2022, purchase agreements were reported as capital leases.

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Schedule 14
Mt. Pleasant Community School District

Direct and Overlapping Governmental Activities Debt
As of June 30, 2023

(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (a)	Estimated Share of Direct and Overlapping Debt
City of Mount Pleasant	\$ 18,124,721	100.00%	\$ 18,124,721
Henry County	8,010,000	65.07%	\$ 5,212,215
Jefferson County	5,949,377	0.40%	\$ 23,717
Lee County	9,285,406	0.39%	\$ 35,949
Van Buren County	-	0.03%	\$ -
Great Prairie Area Education Agency	-	12.78%	\$ -
Southeastern Community College	8,835,000	18.80%	\$ 1,680,698
Subtotal, overlapping debt			25,057,299
District direct debt			1,230,509
Total direct and overlapping debt			\$ 26,287,808

Source: Taxable value data used to estimate applicable percentages provided by the County Auditor. Debt outstanding data provided by each governmental unit.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the district. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the district. This process recognizes that, when considering the district's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(a) The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

Schedule 15
Mt. Pleasant Community School District

Legal Debt Margin Information
Last Ten Fiscal Years

(Unaudited)

	2014	2015	2016	2017	2018
Debt limit	\$ 24,510,096	\$ 24,226,933	\$ 25,399,142	\$ 26,330,459	\$ 27,453,526
Total net debt applicable to limit	7,071,000	5,637,000	4,624,000	3,176,000	2,493,000
Legal debt margin	\$ 17,493,096	\$ 18,589,933	\$ 20,775,142	\$ 23,154,459	\$ 24,960,526
Total net debt applicable to the limit as a percentage of debt limit	28.85%	23.27%	18.21%	12.06%	9.08%

Source: School District financial records and Henry County Auditor.

Notes:

- (a) Actual assessed value includes Tax Increment Financing
- (b) Code of Iowa Section 296.1

Legal Debt Margin Calculation for Fiscal Year 2023

Actual assessed value (a)	<u>\$ 650,724,398</u>
Debt limit (5% of assessed value) (b)	\$ 32,536,220
Debt applicable to limit	-
Legal debt margin	<u>\$ 32,536,220</u>

2019	2020	2021	2022	2023
\$ 28,777,614	\$ 30,095,230	\$ 31,239,396	\$ 31,899,542	\$ 32,536,220
1,793,000	1,078,000	345,000	-	-
<u>\$ 26,984,614</u>	<u>\$ 29,017,230</u>	<u>\$ 30,894,396</u>	<u>\$ 31,899,542</u>	<u>\$ 32,536,220</u>

6.23%	3.58%	1.10%	0.00%	0.00%
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Schedule 16
Mt. Pleasant Community School District

Pledged-Revenue Coverage
Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Sales Tax Revenue Bonds				
	Revenue	Debt Service		Coverage	
		Principal	Interest		
2015	\$ 1,874,972	\$ 634,000	\$ 103,272	2.54	
2016	1,898,660	648,000	89,991	2.57	
2017	1,907,370	663,000	76,440	2.58	
2018	1,835,369	683,000	62,556	2.46	
2019	1,964,839	700,000	48,256	2.65	
2020	1,991,982	715,000	33,623	2.66	
2021	1,900,310	733,000	18,637	2.53	
2022	2,556,476	345,000	3,588	7.33	
2023	2,197,636	-	-	-	

Source: School District financial records.

Schedule 17
Mt. Pleasant Community School District

Demographic and Economic Statistics
Last Ten Calendar Years
(Unaudited)

Calendar Year	Population (a)	Personal Income (b)	Adjusted Gross Income Per Tax Return (b)	Per Capita Personal Income	Unemployment Rate (c)
2014	13,009	263,891,523	35,796	20,285	5.00
2015	13,009	246,891,140	33,751	18,978	4.10
2016	13,009	247,925,683	34,296	19,058	4.30
2017	13,009	261,106,446	36,260	20,071	3.20
2018	13,009	273,310,066	38,236	21,009	2.50
2019	12,773	268,089,541	37,024	20,989	2.50
2020	13,680	270,598,061	37,587	19,781	8.00
2021	13,057	288,189,213	41,706	22,072	4.70
2022	13,057	N/A	N/A	N/A	2.70
2023	13,057	N/A	N/A	N/A	4.00

Notes:

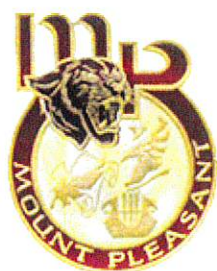
N/A = not available.

(a) U.S. Department of Commerce, Bureau of Census

(b) Iowa Department of Revenue

(c) Iowa Workforce Development as of the month of June county-wide

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Schedule 18
Mt. Pleasant Community School District

Principal Employers
Current Year and Nine Years Ago
(Unaudited)

Employer	2023			2014		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Wal-Mart Distribution	700	1	7.44%	600	1	6.87%
Mt. Pleasant Community School District	365	2	3.88%	325	5	3.72%
Innovaire	350	3	3.72%			
Lomont Molding	350	4	3.72%			
Continental Conitech	285	5	3.03%			
Henry County Health Center	230	6	2.44%	245	7	2.81%
Cornerstone Building Brands	238	7	2.53%			
Sigma	180	8	1.91%			
MPC Enterprises, Inc.	130	9	1.38%			
WalMart Retail	127	10	1.35%	123	10	1.41%
Metrogroup				550	2	6.30%
West Liberty Foods				448	3	5.13%
Mt. Pleasant Correctional Facility				397	4	4.55%
Veyance Technologies				250	6	2.86%
Mackay Envelopes				184	8	2.11%
Hearth & Home				175	9	2.00%
Total	2,955		31.41%	3,297		37.76%

Source: Mt. Pleasant Chamber of Commerce

Schedule 19
Mt. Pleasant Community School District

Full-Time Equivalent District Employees By Type
Last Ten Fiscal Years
(Unaudited)

	Full-Time Equivalent Employees as of June 30				
	2014	2015	2016	2017	2018
Supervisory:					
Superintendent	1.0	1.0	1.0	1.0	1.0
Supervisor of Instruction	1.0	1.0	1.0	1.0	1.0
Principals	5.0	5.0	5.2	5.2	5.2
Assistant principals	2.0	2.0	2.0	2.0	2.0
All other administrators	4.0	5.0	4.0	4.0	4.0
Total supervisory	13.0	14.0	13.2	13.2	13.2
Instruction:					
Regular program teachers	131.7	140.5	140.4	141.4	135.7
Special Education teachers	22.8	22.8	20.3	21.3	21.2
Paraeducators, Regular	24.7	24.5	24.5	24.5	24.5
Paraeducators, Special Education	47.3	41.8	49.6	55.1	54.1
Total instruction	226.5	229.6	234.8	242.3	235.5
Student services:					
Guidance counselors	3.0	5.0	3.0	3.0	3.0
Social worker	1.0	1.0	1.0	1.0	1.0
Nurses	2.0	2.0	2.0	2.0	2.0
Media Specialists	1.0	1.0	1.0	1.0	1.0
Total student services	7.0	9.0	7.0	7.0	7.0
Support and administration:					
Clerical/secretarial	17.7	17.0	15.0	16.0	16.0
Custodial and Maintenance	18.6	20.0	19.0	18.0	18.0
Food Service	18.0	18.5	16.8	16.8	16.8
Bus Drivers	19.0	19.0	19.0	19.0	19.0
Total support and administration	73.3	74.5	69.8	69.8	69.8
Total	319.8	327.1	324.8	332.3	325.5

Source: District records

Full-Time Equivalent Employees as of June 30					Percentage Change 2014-2023
2019	2020	2021	2022	2023	
1.0	1.0	1.0	1.0	1.0	0.0%
1.0	1.0	1.0	1.0	1.0	0.0%
5.2	5.2	5.2	5.2	5.2	4.0%
2.0	2.0	2.0	2.0	2.0	0.0%
4.0	4.0	4.0	4.0	4.0	0.0%
13.2	13.2	13.2	13.2	13.2	1.5%
132.2	133.4	133.6	132.5	133.8	1.6%
20.9	19.7	20.6	20.5	22.3	-2.0%
24.5	24.5	25.3	25.3	25.3	2.4%
52.0	58.3	55.9	52.7	49.7	5.1%
229.6	235.9	235.4	231.0	231.1	2.1%
2.9	2.9	3.0	2.9	3.0	0.0%
1.0	1.8	1.2	1.4	2.0	100.0%
2.0	2.0	2.0	2.0	2.0	0.0%
1.0	1.0	0.5	0.5	1.0	0.0%
6.9	7.7	6.7	6.8	8.0	14.3%
16.0	16.0	16.0	16.0	18.7	5.6%
18.0	18.0	18.0	15.0	17.0	-8.6%
16.8	16.8	14.9	14.9	14.9	-17.2%
19.0	19.0	19.0	19.0	19.0	0.0%
69.8	69.8	67.9	64.9	69.6	-5.0%
319.5	326.6	323.2	315.9	321.9	0.67%

Schedule 20
Mt. Pleasant Community School District

Operating Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Enrollment (1)	Operating Expenditures (2)	Cost Per Pupil	Percentage Change	Expenses	Cost Per Pupil
2014	2,069	\$ 21,621,506	\$ 10,450	2.02%	\$ 22,692,507	\$ 10,968
2015	2,186	22,573,550	10,326	(1.18)%	23,103,989	10,569
2016	2,317	23,870,139	10,302	(0.23)%	24,129,139	10,414
2017	2,128	24,349,602	11,442	11.07%	25,787,043	12,118
2018	2,048	23,811,213	11,627	1.61%	26,012,538	12,701
2019	2,027	24,300,664	11,988	3.11%	26,026,902	12,840
2020	2,006	23,849,251	11,889	(0.83)%	24,627,901	12,277
2021	1,897	25,010,100	13,184	10.89%	26,521,334	13,981
2022	1,891	27,198,750	14,383	9.10%	25,457,403	13,462
2023	1,864	25,002,971	13,414	(6.74)%	24,127,845	12,944

Source: School District financial records and Iowa Department of Education.

Notes: N/A = not available.

(1) Average daily membership

(2) Operating expenditures are total governmental expenditures less debt service and capital outlays.

Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Open Enrolled Students In	Open Enrolled Students Out	Percentage of Students Receiving Free or Reduced-Priced Meals
2.13%	156.3	13.24	150.90	65.10	43.73%
-3.64%	163.3	13.39	136.60	69.30	47.36%
-1.47%	160.7	14.42	133.60	69.90	50.91%
16.36%	162.7	13.08	120.80	64.90	46.22%
4.81%	156.9	13.05	129.50	67.90	50.05%
1.09%	153.1	13.24	143.30	86.20	52.30%
-4.38%	153.1	13.10	129.20	97.80	52.50%
13.88%	154.2	12.30	127.80	122.20	50.35%
-3.71%	153.0	12.36	137.50	135.70	50.33%
-3.85%	156.1	11.94	144.70	115.20	52.55%

**School Building Information
Last Ten Fiscal Years
(Unaudited)**

School	Fiscal Year				
	2014	2015	2016	2017	2018
Elementary:					
Harlan (1955)					
Square feet	37,410	37,410	37,410	37,410	37,410
Capacity	275	275	275	275	275
Enrollment	246	246	241	239	244
Lincoln (1950)					
Square feet	35,935	35,935	35,935	35,935	35,935
Capacity	275	275	275	275	275
Enrollment	265	265	280	263	268
Salem (1963)					
Square feet	13,617	13,617	13,617	13,617	13,617
Capacity	140	140	140	140	140
Enrollment	117	117	108	102	104
Van Allen (1963)					
Square feet	39,550	39,550	39,550	39,550	39,550
Capacity	440	440	440	440	440
Enrollment	244	244	276	281	260
Middle:					
Mt. Pleasant Middle School (1909)					
Square feet	73,087	73,087	73,087	73,087	73,087
Capacity	550	550	550	550	550
Enrollment	485	485	420	435	422
High:					
Mt. Pleasant High School (2000)					
Square feet	115,000	115,000	115,000	115,000	115,000
Capacity	750	750	750	750	750
Enrollment	659	659	656	635	612
Other District Facilities:					
Bus Garage (1963)					
Square feet	2,266	2,266	2,266	2,266	2,266
Central Receiving/ Building and Grounds/ Alternative High School (1976)	11,666	11,666	11,666	11,666	11,666
Enrollment	28	31	25	31	22
Athletic Complex (1979)					
Square feet	10,000	10,000	10,000	10,000	10,000
Wrestling Room (2008)					
Square feet	3,200	3,200	3,200	3,200	3,200

Source: District records

Fiscal Year				
2019	2020	2021	2022	2023
37,410	37,410	37,410	37,410	37,410
275	275	275	275	275
240	240	216	220	222
35,935	35,935	35,935	35,935	35,935
275	275	275	275	275
263	263	238	233	211
13,617	13,617	13,617	13,617	13,617
140	140	140	140	140
105	105	100	91	93
39,550	39,550	39,550	39,550	39,550
440	440	440	440	440
248	248	260	249	248
73,087	73,087	73,087	73,087	73,087
550	550	550	550	550
443	443	426	423	405
115,000	115,000	115,000	115,000	115,000
750	750	750	750	750
615	615	567	559	571
2,266	2,266	2,266	2,266	2,266
11,666	11,666	11,666	11,666	11,666
23	23	13	21	28
10,000	10,000	10,000	10,000	10,000
3,200	3,200	3,200	3,200	3,200

Schedule 22
Mt. Pleasant Community School District

Certified Staff Salaries
Last Ten Fiscal Years
(Unaudited)

School Year	Minimum	Maximum	Average
2022-2023	\$35,105	\$74,774	\$56,042
2021-2022	34,255	72,963	56,325
2020-2021	33,980	72,377	57,880
2019-2020	33,730	71,845	56,940
2018-2019	33,655	71,685	55,944
2017-2018	33,615	71,600	54,156
2016-2017	33,440	71,227	52,981
2015-2016	32,990	70,269	51,102
2014-2015	32,190	68,565	50,882
2013-2014	31,515	67,127	50,653

Source: School District financial records.

Notes: - The above table does not include extra duty pay.
 - Average salary includes supplemental Phase payments

Single Audit Section

**MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023**

Grantor/Program	Assistance Listing Number	Pass-Through Entity Identifying Number	Expenditures
Indirect:			
U.S. Department of Agriculture:			
Passed through Iowa Department of Education:			
Local Food for Schools Cooperative Agreement Program	10.185	FY 23	\$ 4,000
Child Nutrition Cluster:			
School Breakfast Program	10.553	FY 23	107,873
National School Lunch Program	10.555	FY 23	731,059 *
Fresh Fruit and Vegetable Program	10.582	FY 23	12,206
Total - Child Nutrition Cluster			851,138
Total U.S. Department of Agriculture			855,138
U.S. Department of Education:			
Passed Through Iowa Department of Education:			
Title I Grants to Local Educational Agencies	84.010	FY 23	366,882
Career and Technical Education - Basic Grants to States	84.048	FY 23	23,756
Supporting Effective Instruction State Grants	84.367	FY 23	58,541
Student Support and Academic Enrichment Program	84.424	FY 23	13,596
Education Stabilization Fund:			
COVID-19 Discretionary Grants: Rethink K-12 Education Models Grants	84.425B	FY 23	23,382
COVID-19 Governor's Emergency Education Relief (GEER) Fund	84.425C	FY 23	2,915
COVID-19 Elementary and Secondary School Relief (ESSER) Fund	84.425D	FY 23	130,151
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425U	FY 23	1,378,099
Total - Education Stabilization Fund			1,534,547
Passed Through Great Prairie Area Education Agency:			
Special Education Grants to States	84.027	FY 23	88,083
Total U.S. Department of Education			2,085,405
U.S. Department of Health and Human Services:			
Passed through Iowa Department of Education:			
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	FY 23	44,364
Total			\$ 2,984,907

* - Includes \$68,188 of non-cash awards.

Basis of Presentation - The Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Mount Pleasant Community School District under programs of the federal government for the year ended June 30, 2023. The information on this Schedule is presented in accordance with the requirements of Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only selected portion of the operations of Mount Pleasant Community School District, it is not intended to and does not represent the financial position, changes in financial position or cash flows of Mount Pleasant Community School District.

Summary of Significant Accounting Policies - Expenditures reported in the Schedule are reported on the accrual or modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Indirect Cost Rate - Mount Pleasant Community School District did not elect to use a federally negotiated indirect cost rate as allowed under the Uniform Guidance.

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

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NOLTE, CORNMAN & JOHNSON P.C.
Certified Public Accountants
(a professional corporation)
115 North 3rd Avenue West, Newton, Iowa 50208-3218
Telephone (641) 792-1910

Independent Auditor's Report on Internal Control
over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards

To the Board of Education of Mount Pleasant Community School District:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Mount Pleasant Community School District as of and for the year ended June 30, 2023, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 21, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Mount Pleasant Community School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters which are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of noncompliance or other matters which are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Members American Institute & Iowa Society of Certified Public Accountants

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2023 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Mount Pleasant Community School District's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedure on Mount Pleasant Community School District's responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. Mount Pleasant Community School District's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

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

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Mount Pleasant Community School District during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.


NOLTE, CORNMAN & JOHNSON, P.C.

December 21, 2023
Newton, Iowa

NOLTE, CORNMAN & JOHNSON P.C.
Certified Public Accountants
(a professional corporation)
115 North 3rd Avenue West, Newton, Iowa 50208-3218
Telephone (641) 792-1910

Independent Auditor's Report on Compliance
for Each Major Federal Program and on Internal Control over Compliance
Required by the Uniform Guidance

To the Board of Education of Mount Pleasant Community School District:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Mount Pleasant Community School District's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of Mount Pleasant Community School District's major federal programs for the year ended June 30, 2023. Mount Pleasant Community School District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Mount Pleasant Community School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the audit requirements of Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Mount Pleasant Community School District's compliance with the compliance requirements referred to above and performing other such procedures as we considered necessary in the circumstances.
- Obtain an understanding of Mount Pleasant Community School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Mount Pleasant Community School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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


NOLTE, CORNMAN & JOHNSON, P.C.

December 21, 2023
Newton, Iowa

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

Part I: Summary of the Independent Auditor's Results:

- (a) Unmodified opinions were issued on the financial statements prepared in accordance with U.S. generally accepted accounting principles.
- (b) No material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No material weaknesses in internal control over major programs were noted by the audit of the financial statements.
- (e) An unmodified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit disclosed no findings which were required to be reported in accordance with the Uniform Guidance, Section 200.516.
- (g) Major programs were as follows:
 - Child Nutrition Cluster
 - Assistance Listing Number 84.425 - Education Stabilization Fund
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- (i) Mount Pleasant Community School District qualified as a low-risk auditee.

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

Part II: Findings Related to the Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

No matters were noted.

Part III: Findings and Questioned Costs For Federal Awards:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

No material weaknesses in internal control over major programs were noted.

Part IV: Other Findings Related to Required Statutory Reporting:

2023-A Certified Budget - Expenditures for the year ended June 30, 2023 exceeded the certified budget amounts in the other expenditures function.

Recommendation - The certified budget should have been amended in accordance with Chapter 24.9 of the Code of Iowa before expenditures were allowed to exceed the budget.

Response - The District will monitor the certified budget during the year and will amend the budget if necessary.

Conclusion - Response accepted.

2023-B Questionable Disbursements - No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.

2023-C Travel Expense - No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.

2023-D Business Transactions - Business transactions between the District and District officials or employees were noted as follows:

Name, Title and Business Connection	Transaction Description	Amount
Kevin Sandersfeld, Board Member Employee of ITP	Equipment/Services	\$33,228

In accordance with the Chapter 279.7A of the Code of Iowa, the above transactions with the board member does not appear to represent a conflict of interest.

- 2023-E Restricted Donor Activity - No transactions were noted between the District, District officials or District employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.
- 2023-F Bond Coverage - Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.
- 2023-G Board Minutes - We noted no transactions requiring Board approval which have not been approved by the Board.
- 2023-H Certified Enrollment - No variances in the basic enrollment data certified to the Iowa Department of Education were noted.
- 2023-I Supplementary Weighting - No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.
- 2023-J Deposits and Investments - No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy were noted.
- 2023-K Certified Annual Report - The Certified Annual Report was filed with the Iowa Department of Education timely and we noted no significant deficiencies in the amounts reported.
- 2023-L Categorical Funding - No instances were noted of categorical funding used to supplant rather than supplement other funds.
- 2023-M Statewide Sales, Services and Use Tax - No instances of non-compliance with the allowable uses of the statewide sales, services and use tax revenue provided in Chapter 423F.3 of the Code of Iowa were noted. Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales, services and use tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2023, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

Beginning balance		\$ 2,512,951
Revenues/Transfers In:		
Sales tax revenues	\$ 2,197,636	
Other revenues	122,959	
Proceeds from lease agreements	122,617	
Transfer from General Fund	601,612	3,044,824
Expenditures/Transfers Out:		
School infrastructure construction	1,377,475	
Equipment	278,175	
Other	714	
Transfers to Debt Service Fund	39,600	1,695,964
Ending balance		<u>\$ 3,861,811</u>

For the year ended June 30, 2023, the District did not reduce any levies as a result of the monies received under Chapter 423E or 423F of the Code of Iowa.

