

Mathis Independent School District  
General Obligation  
Annual Financial Operating Data  
Fiscal Year Ended August 31, 2019

Mathis Independent School District  
General Obligation  
Continuing Disclosure Statement  
For the year ended August 31, 2019  
(Pursuant to SEC Rule 15 c 2-12)

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The information contained in this report has been obtained from the District and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and should not be understood as a promise or guarantee. This report may contain estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions. The information contained herein is subject to change and the submission of this report will not imply that there has been no changes to the financial condition of the District.

**Mathis Independent School District**  
Continuing Disclosure Statement  
For the year Ended August 31, 2019  
(Pursuant to SEC Rule 15c2-12)

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**Table 1 - Valuation, Exemption and Debt Obligation**

2019/20 Market Valuation Established by Bee, Live Oak, and San Patricio County		\$ 674,153,425
Less Exemptions/Reductions at 100% Market Value:		
\$25,000 Residential Homestead Exemptions (State Mandated)	43,558,146	
Residential Homestead Exemptions (Over 65)	7,220,547	
Disabled Veterans	4,351,344	
Disabled Persons	923,442	
Productivity Loss	189,434,332	
Value Lost to 10% Residential Cap and Other	9,882,564	
Totally Exempt Property	30,323,396	
Other	950,812	<u>286,644,583</u>
2019-20 Taxable Assessed Valuation, Before Freeze		\$ 387,508,842
Deduct: Freeze Loss		<u>42,323,831</u>
2019-20 Taxable Assessed Valuation, After Freeze		<u>\$ 345,185,011</u>
<b>Debt Payable from Ad Valorem Taxes (as of August 31, 2019)</b>		
Unlimited Tax School Building & Refunding Bonds, Series 2010	\$ 3,005,000	
Unlimited Tax Refunding Bonds, Series 2016	4,145,000	
Unlimited Tax Refunding Bonds, Series 2017	3,760,000	
Unlimited Tax School Building Bonds, Series 2019	12,200,000	
<b>Debt Payable from Ad Valorem Taxes</b>		\$ 23,110,000
Less: Instructional Facilities Allotment/Existing Debt Allotment <sup>(1)</sup>		<u>7,140,990</u>
<b>Net Debt Payable from Ad Valorem Taxes</b>		<u>\$15,969,010</u>
<b>Debt Payable from Maintenance Tax (as of August 31, 2019)</b>		
Maintenance Tax Notes, Series 2008	\$ 495,000	
Maintenance Tax Notes, Series 2012	745,887	
Maintenance Tax Notes, Series 2017	<u>1,740,000</u>	
	\$ 2,980,887	
<b>Total Debt</b>		\$18,949,897
Interest and Sinking Fund (as of August 31, 2019)		741,585
Ratio Funded Debt to Taxable Assessed Valuation		5.27%
2019 Estimated Population -	7,698	
Per Capita Taxable Assessed Valuation - \$	44,841	
Per Capita Funded Debt - \$	2,074	

<sup>(1)</sup> It is anticipated that approximately 30.90% of the District's unlimited tax debt service will be funded by the IFA and EDA Program. Source: TEA 2019-2020 Summary of Finances, Mathis ISD, dated February 10, 2020.

**Table 2 - Taxable Assessed Valuation by Category**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Single Family Residences	\$ 235,125,769	\$ 234,597,679	\$ 234,657,076	\$ 214,430,874	\$ 210,094,253
Multi-Family Residences	2,257,046	2,030,451	2,286,611	2,048,914	1,828,528
Vacant Lots	17,038,825	16,122,801	13,573,153	11,980,120	11,760,184
Rural Real	258,719,474	255,303,080	266,138,677	298,674,336	289,596,701
Commercial Real	40,951,267	38,694,974	39,855,829	41,753,531	41,165,508
Industrial Real	4,109,645	3,427,318	3,073,248	782,180	775,713
Oil, Gas and Minerals	1,704,219	1,478,938	1,664,936	1,531,350	2,755,951
Utilities	52,098,492	39,279,940	40,449,142	41,024,043	40,980,317
Commercial Personal	17,063,039	16,033,113	-	18,101,086	20,837,402
Industrial Personal	4,224,400	4,609,780	30,998,858	30,780,470	52,187,180
Mobile Homes	8,922,610	8,359,534	7,935,950	7,937,597	445,905
Exempt	30,327,896	29,660,853	-	-	23,097,620
Special Inventory/Other	1,610,743	1,309,700	1,459,684	2,197,820	9,024,488
	<u>\$ 674,153,425</u>	<u>\$ 650,908,161</u>	<u>\$ 642,093,164</u>	<u>\$ 671,242,321</u>	<u>\$ 704,549,750</u>
Less: Exemptions	\$ 286,644,583	\$ 287,328,192	\$ 270,740,071	\$ 302,396,858	\$ 324,314,763
Over 65 Loss	42,323,831	42,023,149	18,365,978	16,229,946	-
Other	-	-	-	-	-
Total Exemptions	<u>\$ 328,968,414</u>	<u>\$ 329,351,341</u>	<u>\$ 289,106,049</u>	<u>\$ 318,626,804</u>	<u>\$ 324,314,763</u>
Net Taxable Assessed Valuation	<u>\$ 345,185,011</u>	<u>\$ 321,556,820</u>	<u>\$ 352,987,115</u>	<u>\$ 352,615,517</u>	<u>\$ 380,234,987</u>

NOTE: Valuations shown are certified taxable assessed values reported by the Appraisal Districts. Certified Values are subject to change throughout the year as contested value are resolved and the Appraisal Districts update records.

**Table 3 - Valuation and Tax Supported Debt History**

Fiscal Year Ended 8/31	Estimated Population <sup>(1)</sup>	Taxable Assessed Valuation <sup>(2)</sup>	Taxable Assessed Valuation Per Capita	Funded Debt Outstanding at End of Year	Ratio Funded	
					Debt to Taxable Assessed Valuation	Funded Debt per Capita
2015	8,279	\$ 365,149,786	\$ 44,106	\$ 9,382,500	2.57%	\$ 1,133
2016	8,157	380,234,987	46,615	9,342,299	2.46%	1,145
2017	8,117	352,615,517	43,442	14,068,826	3.99%	1,733
2018	7,908	352,987,115	44,637	14,975,613	4.24%	1,894
2019	7,940	321,556,820	40,498	10,969,818	3.41%	1,382
2020	7,698	345,185,011	44,841	18,950,590 <sup>(3)</sup>	5.49%	2,462

<sup>(1)</sup> Source: The Municipal Advisory Council of Texas.

<sup>(2)</sup> Source: District Comprehensive Annual Financial Reports for years ending 2015 through 2019, and the Bee, Live Oak and San Patricio County Appraisal Districts' Certified Totals for the Tax Year 2019, subject to change during the ensuing year.

<sup>(3)</sup> Excludes approximately \$7,140,990 or 30.90% of the currently outstanding unlimited tax bonds which are supported by the Texas Education Agency's Instructional Facilities Allotment and Existing Debt Allotment Programs, as provided by Chapter 46, as amended, Texas Education Code.

**Table 4 - Tax Rate, Levy, and Collection History**

Fiscal Year Ended 8/31	Tax Rate	Local Maintenance <sup>(2)</sup>	Debt Service	Tax Levy <sup>(1)</sup>	% Current Collections	% Total Collections
2015	\$ 1.4040	\$ 1.1700	\$ 0.2340	\$ 5,083,776	91.60%	97.23%
2016	1.4030	1.1700	0.2330	5,121,721	91.20%	96.67%
2017	1.4347	1.1700	0.2647	4,928,900	90.94%	95.52%
2018	1.4347	1.1700	0.2647	4,999,424	94.69%	93.87%
2019	1.4296	1.1700	0.2596	4,902,593	93.20%	93.20%
2020	1.4726	1.0684	0.4042	5,083,022	In process of collection	

<sup>(1)</sup> Calculated.

<sup>(2)</sup> In 2008, the District held a tax ratification election at which a majority of the registered voters of the District approved the levy of a maintenance and operations tax in the amount of \$1.17 per \$100 assessed valuation.

**Table 5 – Top Ten Taxpayers**

Name of Taxpayer	Nature of Property	2019/20 Taxable Assessed Valuation	% of Total Taxable Assessed Valuation
AEP Texas Central Company	Electric Utility	\$13,637,582	3.95%
Union Pacific Railroad Co.	Railroad	11,830,383	3.43%
Arrowhead Eagle Ford Pipeline	Pipeline	7,457,589	2.16%
DCP Sand Hills Pipeline LLC	Pipeline	5,066,140	1.47%
Mathis Deluxe Hospitality LLC	Hotel	3,767,118	1.09%
Kabani Holding Company Inc.	Convenience Store	2,649,800	0.77%
Arrowhead Gathering Company LP	Oil & Gas	2,258,740	0.65%
Nustar Logistics LP	Oil & Gas	2,240,680	0.65%
Patrick & Arlene Clarke	Residential	2,152,634	0.62%
Karankawa Wind Project	Wind Farm	2,095,290	0.61%
		<u>\$53,155,956</u>	<u>15.40%</u>

Includes Bee, Live Oak, and San Patricio Counties

**Table 6 – Tax Adequacy**

2019/2020 Principal and Interest Requirements <sup>(1)</sup>	\$ 1,787,181
Less: Instructional Facilities Allotment (IFA)/ Existing Debt Allotment (EDA) <sup>(2)</sup>	394,625
Less: Transfer from Debt Service Fund	-
Net General Obligation Principal and Interest Requirements	\$ 1,392,556
\$0.4042 Interest & Sinking Fund Tax Levy at 100% Collections Produces	\$ 1,395,238

<sup>(1)</sup> Does not include Maintenance Tax Notes paid through the General Fund.

<sup>(2)</sup> Source: TEA 2019-2020 Summary of Finances, Mathis ISD, dated February 10, 2020.

**Table 8 – Tax Supported Debt Service Requirements**

Fiscal Year Ending	Outstanding Bonds <sup>(1)</sup>			Total Debt Service Requirements	% of Principal Retired
	Principal	Interest	Total		
08/31/2020	845,000	942,181	1,787,181	1,787,181	
08/31/2021	865,000	912,481	1,777,481	1,777,481	
08/31/2022	720,000	882,056	1,602,056	1,602,056	
08/31/2023	745,000	861,231	1,606,231	1,606,231	
08/31/2024	780,000	832,681	1,612,681	1,612,681	17.11%
08/31/2025	795,000	808,606	1,603,606	1,603,606	
08/31/2026	820,000	783,956	1,603,956	1,603,956	
08/31/2027	850,000	756,856	1,606,856	1,606,856	
08/31/2028	880,000	722,856	1,602,856	1,602,856	
08/31/2029	910,000	689,063	1,599,063	1,599,063	35.53%
08/31/2030	950,000	660,400	1,610,400	1,610,400	
08/31/2031	985,000	619,550	1,604,550	1,604,550	
08/31/2032	1,025,000	575,600	1,600,600	1,600,600	
08/31/2033	1,075,000	529,850	1,604,850	1,604,850	
08/31/2034	1,125,000	481,850	1,606,850	1,606,850	57.85%
08/31/2035	1,175,000	431,600	1,606,600	1,606,600	
08/31/2036	1,220,000	379,100	1,599,100	1,599,100	
08/31/2037	1,280,000	324,500	1,604,500	1,604,500	
08/31/2038	960,000	273,300	1,233,300	1,233,300	
08/31/2039	1,000,000	234,900	1,234,900	1,234,900	82.24%
08/31/2040	1,035,000	194,900	1,229,900	1,229,900	
08/31/2041	710,000	153,500	863,500	863,500	
08/31/2042	750,000	118,000	868,000	868,000	
08/31/2043	785,000	80,500	865,500	865,500	
08/31/2044	825,000	41,250	866,250	866,250	100.00%
	<u>\$ 23,110,000</u>	<u>\$ 13,290,769</u>	<u>\$ 36,400,769</u>	<u>\$ 36,400,769</u>	

<sup>(1)</sup> Does not include Maintenance Tax Notes paid through the General Fund

The District expects to receive approximately 30.90% of its annual debt service requirements from the State. The amount of State funding aid for debt service may substantially differ from year to year, depending on a number of factors, including amounts, if any, appropriated for that purpose by the Texas Legislature from time to time.

**Table 9 – Estimated Interest and Sinking Fund Budget Projection**

Tax Supported Debt Service Requirements, Fiscal Year Ending August 31, 2020		\$ 1,787,181
Interest and Sinking Fund, August 31, 2019	741,585	
Interest and Sinking Fund Tax Levy @ 91% Collection <sup>(1)</sup>	1,269,666	
Estimated revenue from taxes levied on frozen properties @ 91% Collections <sup>(1)</sup>	155,676	
Estimated Transfer Required from the General Fund	-	
Instructional Facilities Allotment (IFA)/Existing Debt Allotment (EDA) <sup>(2)</sup>	<u>394,625</u>	<u>2,561,553</u>
Estimated Balance, August 31, 2020		<u>\$ 774,372</u>

<sup>(1)</sup> Assumes a 2019-20 Net Taxable Assessed Valuation of \$345,185,011

<sup>(2)</sup> Source: TEA 2019-2020 Summary of Finances, Mathis ISD, dated February 10, 2020.

**Table 10 – Authorized but Unissued Unlimited Tax Bonds**

As of August 31, 2019 the District has no authorized but unissued bonds.

Source: "Texas Municipal Reports" published by the Municipal Advisory Council of Texas



**Table 11 – Other Obligations**

Commitments under capitalized lease agreements for facilities and equipment provide for minimum future lease payments from the General Fund as of August 31, 2019 as follows:

Fiscal Year Ended August 31:	
2020	\$ 97,484
Total Minimum Rentals	<u>\$ 97,484</u>
Less Amount Representing Interest	(2,701)
Present Value of Future Minimum Lease Payments	\$94,783

**Table 12 – Change in Net Assets**

	<b>Fiscal Year Ended August 31,</b>				
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Program Revenues:					
Charges for Services	\$ 216,562	\$ 209,832	\$ 256,791	\$ 453,839	\$ 464,632
Operating Grants & Contributions	6,364,409	5,259,967	5,323,465	6,648,697	5,876,521
Property Taxes	5,119,226	5,154,796	5,046,728	5,324,506	5,266,914
Grants & Contributions Not Restricted to Specific Programs	11,796,232	7,682,386	11,064,959	10,725,620	10,394,939
Investment Earnings	87,017	58,375	44,557	38,260	33,948
Other	250,773	151,913	160,573	175,707	310,263
Total Revenues:	<u>\$ 23,834,219</u>	<u>\$ 18,517,269</u>	<u>\$ 21,897,073</u>	<u>\$ 23,366,629</u>	<u>\$ 22,347,217</u>
Expenses:					
Instruction	\$ 13,328,300	\$ 7,029,377	\$ 10,868,504	\$ 11,674,088	\$ 11,368,757
Instructional Resources & Media Services	362,309	255,458	304,715	380,608	375,950
Curriculum and Staff Development	83,759	89,753	241,992	474,161	609,575
Instructional Leadership	1,710	16,168	-	128	2,091
School Leadership	1,319,726	864,721	1,144,059	1,098,880	900,287
Guidance, Counseling & Evaluation Services	376,926	260,893	395,888	420,127	438,458
Social Work Services	1,089	44,187	67,276	146,329	118,857
Health Services	132,139	141,790	204,083	156,000	146,455
Student Transportation	625,560	581,955	606,320	611,382	570,089
Food Service	1,877,701	1,430,859	1,618,885	1,427,110	1,393,538
Cocurricular/Extracurricular Activities	835,090	691,521	772,969	894,807	896,743
General Administration	1,019,644	806,711	985,224	1,212,651	1,327,172
Facilities Maintenance and Operations	2,496,793	2,375,065	2,715,409	2,562,689	2,562,599
Security and Monitoring Services	39,740	46,415	156,202	117,987	99,880
Data Processing Services	299,669	261,875	223,569	263,258	217,618
Community Services	203,851	35,144	75,084	67,084	73,960
Interest on Long-Term Debt	694,753	523,989	517,919	570,909	701,290
Bond Issuance Cost & Fees	224,106	64,959	151,411	155,485	2,298
Capital Outlay	-	-	-	403,647	-
Payments Related to Shared Services Arrangements	-	-	-	38,255	38,303
Other Intergovernmental Charges	89,155	99,098	84,730	85,515	78,778
Total Expenses:	<u>\$ 24,012,020</u>	<u>\$ 15,619,938</u>	<u>\$ 21,134,239</u>	<u>\$ 22,761,100</u>	<u>\$ 21,922,698</u>
Increase (Decrease) in Net Assets	\$ (177,801)	\$ 2,897,331	\$ 762,834	\$ 605,529	\$ 424,519
Beginning Net Assets	16,857,410	13,960,078 <sup>(1)</sup>	23,516,964	22,911,435	22,486,917 <sup>(1)</sup>
Prior Period Adjustment	-	-	-	-	-
Ending Net Assets	<u>\$ 16,679,609</u>	<u>\$ 16,857,409</u>	<u>\$ 24,279,798</u>	<u>\$ 23,516,964</u>	<u>\$ 22,911,436</u>

<sup>(1)</sup> Restated.

**Table 12A - Comparative Statement of Revenues, Expenditures, and General Fund Balance**

	Fiscal Year Ended August 31,				
	2019	2018	2017	2016	2015
<b>Revenues:</b>					
Local and Intermediate Sources	\$ 4,660,964	\$ 4,474,670	\$ 4,477,861	\$ 4,758,807	\$ 4,862,771
State Program Revenues	11,169,697	11,174,810	11,723,036	11,413,432	11,015,591
Federal Program Revenues	2,423,866	2,487,826	2,180,062	1,787,388	1,657,469
<b>Total Revenues</b>	<b>\$ 18,254,527</b>	<b>\$ 18,137,306</b>	<b>\$ 18,380,959</b>	<b>\$ 17,959,627</b>	<b>\$ 17,535,831</b>
<b>Expenditures:</b>					
<b>Current:</b>					
Instruction	\$ 8,113,290	\$ 8,027,586	\$ 8,246,250	\$ 7,531,545	\$ 7,580,320
Instructional Resources & Media Services	324,579	319,799	280,822	320,693	354,461
Curriculum and Staff Development	47,090	54,386	133,624	166,855	287,679
Instructional Leadership	1,612	14,847	-	-	-
School Leadership	1,149,049	1,159,439	1,037,830	1,038,680	841,759
Guidance, Counseling & Evaluation Services	334,581	360,964	363,606	372,494	404,156
Social Work Services	1,027	60,343	61,965	4,169	8,538
Health Services	117,654	184,753	187,911	147,242	138,955
Student Transportation	489,667	549,836	775,930	600,745	424,586
Food Service	1,994,590	1,501,323	1,656,362	1,224,859	1,346,625
Cocurricular/Extracurricular Activities	701,774	736,676	691,442	846,766	850,382
General Administration	917,282	958,320	911,861	948,801	1,094,061
Facilities Maintenance and Operations	2,553,179	2,744,953	2,683,981	2,417,529	2,460,014
Security and Monitoring Services	36,304	48,576	146,778	116,904	99,880
Data Processing Services	272,857	290,469	207,530	248,832	204,084
Community Services	2,128	23,343	51,401	61,531	61,757
Principal on Long-Term Debt	407,994	342,770	308,784	192,706	184,637
Interest on Long-Term Debt	110,682	101,247	78,962	82,310	89,808
Bond Issuance Cost & Fees	400	806	806	806	538
Capital Outlay	-	-	259,122	403,647	986,552
Payments Related to Shared Services Arrangements	-	-	-	38,255	38,303
Other Intergovernmental Charges	89,155	99,098	84,730	85,515	78,778
	<b>\$ 17,664,894</b>	<b>\$ 17,579,534</b>	<b>\$ 18,169,697</b>	<b>\$ 16,850,884</b>	<b>\$ 17,535,873</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	589,633	557,772	211,262	1,108,743	(42)
Other Resources and (Uses)	(60,000)	-	280,416	405,177	-
Increase (Decrease) in Fund Balance	529,633	557,772	491,678	1,513,920	(42)
Beginning Fund Balance on September 1	10,648,411	10,090,638 <sup>(1)</sup>	9,663,430	8,149,510	8,149,551 <sup>(1)</sup>
<b>Ending Fund Balance on August 31</b>	<b>\$ 11,178,044</b>	<b>\$ 10,648,410</b>	<b>\$ 10,155,108</b>	<b>\$ 9,663,430</b>	<b>\$ 8,149,509</b>

<sup>(1)</sup> Restated.

**Table 13 – Current Investments**

<u>Type of Investment</u>	<u>Fair Market Value</u>
TexPool	\$ 1,152,836
Total	<u>\$ 1,152,836</u>