

Mathis Independent School District  
General Obligation  
Annual Financial Operating Data  
Fiscal Year Ended August 31, 2018

Mathis Independent School District  
General Obligation  
Continuing Disclosure Statement  
For the year ended August 31, 2018  
(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, 2018  
(Pursuant to SEC Rule 15c2-12)

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

2018/19 Market Valuation Established by Bee, Live Oak, and San Patricio County		\$ 650,908,161
Less Exemptions/Reductions at 100% Market Value:		
\$25,000 Residential Homestead Exemptions (State Mandated)	44,135,440	
Residential Homestead Exemptions (Over 65)	7,327,095	
Disabled Veterans	3,806,443	
Disabled Persons	980,028	
Productivity Loss	200,739,919	
Totally Exempt Property	29,651,353	
Other	687,914	<u>287,328,192</u>
2018-19 Taxable Assessed Valuation, Before Freeze		\$ 363,579,969
Deduct: Freeze Loss		<u>42,023,149</u>
2018-19 Taxable Assessed Valuation, After Freeze		<u>\$ 321,556,820</u>
<b>Debt Payable from Ad Valorem Taxes (as of August 31, 2018)<sup>(1)</sup></b>		
Unlimited Tax School Building & Refunding Bonds, Series 2010	\$ 3,160,000	
Unlimited Tax Refunding Bonds, Series 2016	4,625,000	
Unlimited Tax Refunding Bonds, Series 2017	3,945,000	
<b>Debt Payable from Ad Valorem Taxes</b>		\$ 11,730,000
Less: Instructional Facilities Allotment/Existing Debt Allotment <sup>(2)</sup>		<u>431,884</u>
<b>Net Debt Payable from Ad Valorem Taxes</b>		\$11,298,116
<b>Debt Payable from Maintenance Tax (as of August 31, 2018)</b>		
Maintenance Tax Notes, Series 2008	\$ 605,000	
Maintenance Tax Notes, Series 2012	790,613	
Maintenance Tax Notes, Series 2017	<u>1,850,000</u>	
	\$ 3,245,613	
<b>Total Debt</b>		\$14,543,729
Interest and Sinking Fund (as of August 31, 2018)		774,657
Ratio Funded Debt to Taxable Assessed Valuation		4.28%
	2018 Estimated Population -	7,940
	Per Capita Taxable Assessed Valuation - \$	40,498
	Per Capita Funded Debt - \$	1,423

<sup>(1)</sup> Excludes approximately \$13,500,000 of Series 2019 bonds to be sold in March 2019.

<sup>(2)</sup> It is anticipated that approximately 34.15% of the District's unlimited tax debt service will be funded by the IFA and EDA Program.

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Single Family Residences	\$ 234,597,679	\$ 234,657,076	\$ 214,430,874	\$ 210,094,253	\$ 195,700,516
Multi-Family Residences	2,030,451	2,286,611	2,048,914	1,828,528	1,827,940
Vacant Lots	16,122,801	13,573,153	11,980,120	11,760,184	10,543,078
Rural Real	255,303,080	266,138,677	298,674,336	289,596,701	210,844,210
Commercial Real	38,694,974	39,855,829	41,753,531	41,165,508	29,131,255
Industrial Real	3,427,318	3,073,248	782,180	775,713	740,612
Oil, Gas and Minerals	1,478,938	1,664,936	1,531,350	2,755,951	4,154,963
Utilities	39,279,940	40,449,142	41,024,043	40,980,317	39,252,602
Commercial Personal	16,033,113	-	18,101,086	20,837,402	17,258,270
Industrial Personal	4,609,780	30,998,858	30,780,470	52,187,180	64,669,680
Mobile Homes	8,359,534	7,935,950	7,937,597	445,905	161,202
Exempt	29,660,853	-	-	23,097,620	16,451,357
Special Inventory/Other	1,309,700	1,459,684	2,197,820	9,024,488	8,133,587
	<u>\$ 650,908,161</u>	<u>\$ 642,093,164</u>	<u>\$ 671,242,321</u>	<u>\$ 704,549,750</u>	<u>\$ 598,869,272</u>
Less: Homestead/Veterans Exemptions	\$ 287,328,192	\$ 270,740,071	\$ 302,396,858	\$ 324,314,763	\$ 215,974,379
Over 65 Loss	42,023,149	18,365,978	16,229,946	-	17,745,107
Other	-	-	-	-	-
Total Exemptions	<u>\$ 329,351,341</u>	<u>\$ 289,106,049</u>	<u>\$ 318,626,804</u>	<u>\$ 324,314,763</u>	<u>\$ 233,719,486</u>
Net Taxable Assessed Valuation	<u>\$ 321,556,820</u>	<u>\$ 352,987,115</u>	<u>\$ 352,615,517</u>	<u>\$ 380,234,987</u>	<u>\$ 365,149,786</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
2014	8,153	\$ 347,579,066	\$ 42,632	\$ 7,868,039	2.26%	\$ 965
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 <sup>(3)</sup>	3.41%	1,382

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

<sup>(2)</sup> Source: District Comprehensive Annual Financial Reports for years ending 2014 through 2018, and the Bee, Live Oak and San Patricio County Appraisal Districts' Certified Totals for the Tax Year 2018, subject to change during the ensuing year.

<sup>(3)</sup> Excludes approximately \$7,724,205 or 34.15% of the currently outstanding unlimited tax bonds (as shown below) 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
2014	\$ 1.3748	\$ 1.1700	\$ 0.2048	\$ 4,778,517	96.10%	97.76%
2015	1.4040	1.1700	0.2340	5,126,703	91.60%	96.54%
2016	1.4030	1.1700	0.2330	5,334,697	91.20%	96.54%
2017	1.4347	1.1700	0.2647	4,925,814	90.94%	97.01%
2018	1.4347	1.1700	0.2647	4,999,424	94.69%	94.69%
2019	1.4296	1.1700	0.2596	4,877,896	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	2018/19 Taxable Assessed Valuation	% of Total Taxable Assessed Valuation
AEP Texas Central Company	Electric Utility	\$10,473,380	3.26%
Union Pacific Railroad Co.	Railroad	7,612,680	2.37%
Arrowhead Eagle Ford Pipeline	Pipeline	4,646,140	1.44%
Kabani Holding Company Inc.	Retail	2,985,087	0.93%
Keane Frac LP	Pipeline	2,835,640	0.88%
Schmidt Prop I LLC	RV Resort	2,152,634	0.67%
Ullah Investments Inc.	Hotel	2,087,247	0.65%
GE Oil & Gas Pressure Control	Oil & Gas	1,972,540	0.61%
JPS Completion Fluids Inc.	Chemicals	1,927,277	0.60%
First Mathis Capital Funding LLC	Nursing Home	1,364,664	0.42%
		<u>\$38,057,289</u>	<u>11.84%</u>

Includes Bee, Live Oak, and San Patricio Counties

**Table 6 – Tax Adequacy**

2018/2019 Principal and Interest Requirements <sup>(1)</sup>	\$ 1,264,556
Less: Instructional Facilities Allotment (IFA)/ Existing Debt Allotment (EDA)	431,884
Less: Transfer from Debt Service Fund	-
Net General Obligation Principal and Interest Requirements	<u>\$ 832,672</u>
\$0.259619 Interest & Sinking Fund Tax Levy at 100% Collections Produces	\$ 834,794

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

**Table 7 – Estimated Overlapping Debt**

Expenditures of the various taxing bodies within the territory of the District are paid out of ad valorem taxes levied by such entities on properties within the District. Such entities are independent of the District and may incur borrowings to finance their expenditures. This statement of direct and estimated overlapping ad valorem tax bonds ("Tax Debt") was developed from information contained in "Texas Municipal Reports" published by the Municipal Advisory Council of Texas. Except for the amounts relating to the District, the District has not independently verified the accuracy or completeness of such information, and no person should rely upon such information as being accurate or complete. Furthermore, certain of the entities listed may have issued additional bonds since the date hereof, and such entities may have programs requiring the issuance of substantial amounts of additional bonds, the amount of which cannot be determined. The following table reflects the estimated share of overlapping Tax Debt of the District.

Political Subdivision	FYE 2018-19 Net Taxable Assessed Valuation	FYE 2018- 19 Tax Rate	Total Taxable Debt	Estimated % Overlapping	District's Overlapping Funded Debt As Of 11/30/2018	Authorized But Unissued Debt As Of 11/30/2018 <sup>(3)</sup>
Bee County	\$1,591,854,300	\$0.1919	\$26,190,000	0.34%	\$89,046	\$ -
Coastal Bend College District	1,686,955,760	0.6664	3,468,000	0.41%	14,219	-
Live Oak County	2,466,179,541	0.5203	5,320,000	1.90%	101,080	-
Mathis, City of	111,356,293	1.0581	846,000	100.00%	846,000	-
San Patricio County	6,909,799,403	0.4685	46,952,435	4.80%	2,253,717	-
Mathis ISD	327,299,844	1.4296	10,969,818 <sup>(1)(2)</sup>	100.00%	10,969,818	13,500,000
Total Direct and Overlapping Debt					<u>\$14,273,880</u>	
Ratio of Direct and Overlapping Tax Debt to Net Taxable Assessed Valuation					4.44%	
Per Capita Overlapping Tax Debt					\$1,798	

(1) Excludes approximately \$7,724,205 or 34.15% of the currently outstanding unlimited tax bonds (as shown in Table 3) 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.

(2) Excludes approximately \$13,500,000 of Series 2019 bonds to be sold in March 2019.

(3) Source: MAC of Texas.

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

<b>Fiscal Year</b>	<b>Outstanding Bonds</b>			<b>% of Principal Retired</b>
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
08/31/2019	\$ 1,084,726	\$ 549,720	\$ 1,634,446	
08/31/2020	1,121,291	513,433	1,634,724	
08/31/2021	1,147,911	473,465	1,621,376	
08/31/2022	674,588	432,467	1,107,055	
08/31/2023	706,324	407,435	1,113,759	22.94%
08/31/2024	593,120	381,194	974,314	
08/31/2025	609,979	361,172	971,151	
08/31/2026	631,903	340,507	972,410	
08/31/2027	653,895	317,446	971,341	
08/31/2028	675,956	293,515	969,471	38.27%
08/31/2029	698,090	270,190	968,280	
08/31/2030	730,298	246,093	976,391	
08/31/2031	747,583	220,852	968,435	
08/31/2032	774,949	193,432	968,381	
08/31/2033	575,000	165,000	740,000	55.35%
08/31/2034	600,000	142,000	742,000	
08/31/2035	625,000	118,000	743,000	
08/31/2036	640,000	93,000	733,000	
08/31/2037	670,000	67,400	737,400	
08/31/2038	325,000	40,600	365,600	69.20%
08/31/2039	340,000	27,600	367,600	
08/31/2040	350,000	14,000	364,000	100.00%
	<u>\$ 14,975,613</u>	<u>\$ 5,668,519</u>	<u>\$ 20,644,132</u>	

The District expects to receive approximately 34.15% 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, 2019		\$ 1,264,556
Interest and Sinking Fund, August 31, 2018	774,657	
Interest and Sinking Fund Tax Levy @ 91% Collection <sup>(1)</sup>	759,662	
Estimated revenue from taxes levied on frozen properties @ 91% Collections <sup>(1)</sup>	99,278	
Estimated Transfer Required from the General Fund	-	
Instructional Facilities Allotment (IFA)/Existing Debt Allotment (EDA)	<u>431,884</u>	<u>2,065,481</u>
Estimated Balance, August 31, 2020		<u>\$ 800,925</u>

<sup>(1)</sup> Assumes a 2018-2019 Net Taxable Assessed Valuation of \$321,556,820

**Table 10 – Authorized but Unissued Unlimited Tax Bonds <sup>(1)</sup>**

As of August 31, 2018 the District has no authorized but unissued bonds.

Source: “Texas Municipal Reports” published by the Municipal Advisory Council of Texas

<sup>(1)</sup> Subsequent to the District’s fiscal year end, voters approved \$13,500,000 of bonds in an election held November 6<sup>th</sup>, 2018. All \$13,500,000 is expected to be issued by the District in March 2019.

**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, 2018 as follows:

Fiscal Year Ended August 31:	
2019	97,484
2020	<u>97,484</u>
Total Minimum Rentals	\$194,968
Less Amount Representing Interest	(8,029)
Present Value of Future Minimum Lease Payments	\$186,939

**Table 12 – Change in Net Assets**

	<b>Fiscal Year Ended August 31,</b>				
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Program Revenues:					
Charges for Services	\$ 209,832	\$ 256,791	\$ 453,839	\$ 464,632	\$ 476,493
Operating Grants & Contributions	5,259,967	5,323,465	6,648,697	5,876,521	6,892,014
Property Taxes	5,154,796	5,046,728	5,324,506	5,266,914	4,844,263
Grants & Contributions Not Restricted to Specific Programs	7,682,386	11,064,959	10,725,620	10,394,939	10,810,591
Investment Earnings	58,375	44,557	38,260	33,948	31,710
Other	151,913	160,573	175,707	310,263	466,467
Total Revenues:	<u>\$ 18,517,269</u>	<u>\$ 21,897,073</u>	<u>\$ 23,366,629</u>	<u>\$ 22,347,217</u>	<u>\$ 23,521,538</u>
Expenses:					
Instruction	\$ 7,029,377	\$ 10,868,504	\$ 11,674,088	\$ 11,368,757	\$ 11,319,028
Instructional Resources & Media Services	255,458	304,715	380,608	375,950	361,453
Curriculum and Staff Development	89,753	241,992	474,161	609,575	643,743
Instructional Leadership	16,168	-	128	2,091	2,103
School Leadership	864,721	1,144,059	1,098,880	900,287	994,955
Guidance, Counseling & Evaluation Services	260,893	395,888	420,127	438,458	513,840
Social Work Services	44,187	67,276	146,329	118,857	130,646
Health Services	141,790	204,083	156,000	146,455	134,437
Student Transportation	581,955	606,320	611,382	570,089	697,736
Food Service	1,430,859	1,618,885	1,427,110	1,393,538	1,300,565
Cocurricular/Extracurricular Activities	691,521	772,969	894,807	896,743	833,913
General Administration	806,711	985,224	1,212,651	1,327,172	1,272,966
Facilities Maintenance and Operations	2,375,065	2,715,409	2,562,689	2,562,599	2,494,367
Security and Monitoring Services	46,415	156,202	117,987	99,880	113,760
Data Processing Services	261,875	223,569	263,258	217,618	240,262
Community Services	35,144	75,084	67,084	73,960	92,314
Interest on Long-Term Debt	523,989	517,919	570,909	701,290	721,355
Bond Issuance Cost & Fees	64,959	151,411	155,485	2,298	1,754
Capital Outlay	-	-	403,647	-	76,457
Payments Related to Shared Services Arrangements	-	-	38,255	38,303	41,458
Other Intergovernmental Charges	99,098	84,730	85,515	78,778	78,117
Total Expenses:	<u>\$ 15,619,938</u>	<u>\$ 21,134,239</u>	<u>\$ 22,761,100</u>	<u>\$ 21,922,698</u>	<u>\$ 22,065,229</u>
Increase (Decrease) in Net Assets	\$ 2,897,331	\$ 762,834	\$ 605,529	\$ 424,519	\$ 1,456,309
Beginning Net Assets	13,960,078 <sup>(1)</sup>	23,516,964	22,911,435	22,486,917 <sup>(1)</sup>	23,139,103
Prior Period Adjustment	-	-	-	-	-
Ending Net Assets	<u>\$ 16,857,409</u>	<u>\$ 24,279,798</u>	<u>\$ 23,516,964</u>	<u>\$ 22,911,436</u>	<u>\$ 24,595,412</u>

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

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

	Fiscal Year Ended August 31,				
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Revenues:</b>					
Local and Intermediate Sources	\$ 4,474,670	\$ 4,477,861	\$ 4,758,807	\$ 4,862,771	\$ 4,650,213
State Program Revenues	11,174,810	11,723,036	11,413,432	11,015,591	11,426,472
Federal Program Revenues	2,487,826	2,180,062	1,787,388	1,657,469	1,458,931
<b>Total Revenues</b>	<b>\$ 18,137,306</b>	<b>\$ 18,380,959</b>	<b>\$ 17,959,627</b>	<b>\$ 17,535,831</b>	<b>\$ 17,535,616</b>
<b>Expenditures:</b>					
<b>Current:</b>					
Instruction	\$ 8,027,586	\$ 8,246,250	\$ 7,531,545	\$ 7,580,320	\$ 7,009,719
Instructional Resources & Media Services	319,799	280,822	320,693	354,461	259,806
Curriculum and Staff Development	54,386	133,624	166,855	287,679	296,977
Instructional Leadership	14,847	-	-	-	-
School Leadership	1,159,439	1,037,830	1,038,680	841,759	934,793
Guidance, Counseling & Evaluation Services	360,964	363,606	372,494	404,156	475,849
Social Work Services	60,343	61,965	4,169	8,538	4,083
Health Services	184,753	187,911	147,242	138,955	126,913
Student Transportation	549,836	775,930	600,745	424,586	858,913
Food Service	1,501,323	1,656,362	1,224,859	1,346,625	1,208,014
Cocurricular/Extracurricular Activities	736,676	691,442	846,766	850,382	787,243
General Administration	958,320	911,861	948,801	1,094,061	1,041,423
Facilities Maintenance and Operations	2,744,953	2,683,981	2,417,529	2,460,014	2,372,410
Security and Monitoring Services	48,576	146,778	116,904	99,880	113,760
Data Processing Services	290,469	207,530	248,832	204,084	226,816
Community Services	23,343	51,401	61,531	61,757	67,265
Principal on Long-Term Debt	342,770	308,784	192,706	184,637	204,071
Interest on Long-Term Debt	101,247	78,962	82,310	89,808	93,636
Bond Issuance Cost & Fees	806	806	806	538	-
Capital Outlay	-	259,122	403,647	986,552	143,832
Payments Related to Shared Services Arrangements	-	-	38,255	38,303	41,458
Other Intergovernmental Charges	99,098	84,730	85,515	78,778	78,117
	<b>\$ 17,579,534</b>	<b>\$ 18,169,697</b>	<b>\$ 16,850,884</b>	<b>\$ 17,535,873</b>	<b>\$ 16,345,098</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	557,772	211,262	1,108,743	(42)	1,190,518
Other Resources and (Uses)	-	280,416	405,177	-	294,522
Increase (Decrease) in Fund Balance	557,772	491,678	1,513,920	(42)	1,485,040
Beginning Fund Balance on September 1	10,090,638 <sup>(1)</sup>	9,663,430	8,149,510	8,149,551 <sup>(1)</sup>	6,540,365
Ending Fund Balance on August 31	<b>\$ 10,648,410</b>	<b>\$ 10,155,108</b>	<b>\$ 9,663,430</b>	<b>\$ 8,149,509</b>	<b>\$ 8,025,405</b>

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

**Table 13 – Current Investments**

<u>Type of Investment</u>	<u>Fair Market Value</u>
TexPool	\$ 1,126,645
Total	<u>\$ 1,126,645</u>